

# Performing Spaces



**Local government guide to growing community wellbeing through the performing arts.**

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A partnership with:





**Culture provides the colour, light and joy to communities; neglecting the cultural infrastructure impoverishes the spirit – inevitably having a negative impact on the socio-economic health and day-to-day wellbeing of the local populace.**

**Culture: Building Resilient Communities**  
The Edinburgh International Culture Summit 2016



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Edited by Penny Watts.

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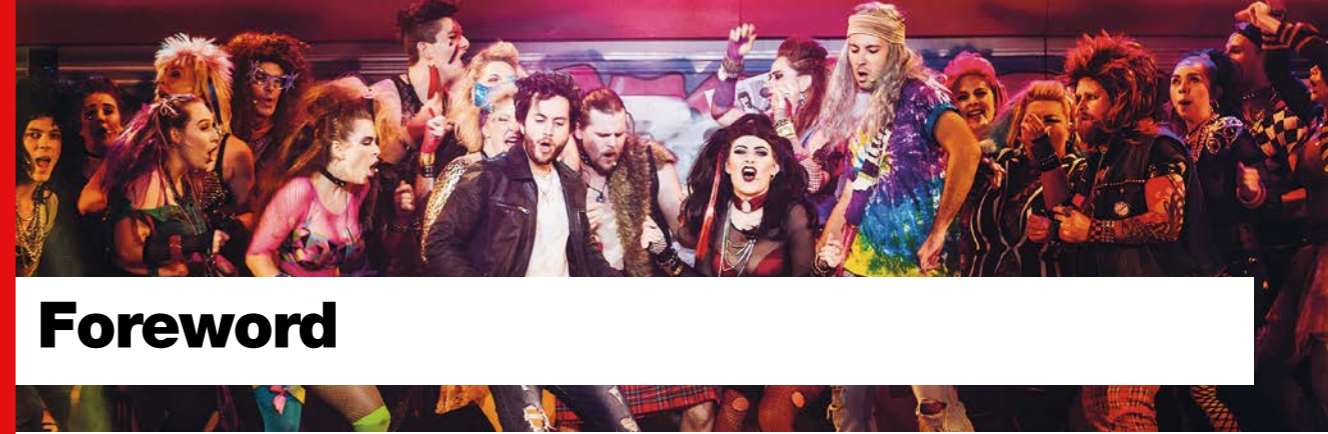
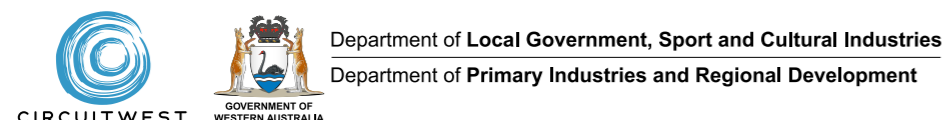
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An initiative of CircuitWest:



**Foreword**

Performing Spaces is a guide for local governments to make the most of their performing arts centres' potential to create community wellbeing. The guide builds on the 2018 edition developed in partnership with CircuitWest, as part of the Creative Regions program.

Performing Arts Connections Australia is pleased to present this Australia-wide edition.

A large number of leaders in the local government and performing arts sectors across Australia have contributed to the guide. Performing Spaces responds to gaps identified in both sectors. Those gaps lead to the sectors often talking past each other - without a common language or ability to work together in strategic decision-making.

Performing Spaces provides a language and framework that articulates the value of performing arts centres in terms of community outcomes. The guide highlights a shift away from the traditional role of the performing arts centre to a place of innovation and learning. Art centres are often a community's creative hub and often play an important role in the wider region. They can also shape the economic and social vitality of a town or city centre, and grow community cohesion and identity.

Achieving these outcomes means thinking beyond bricks and mortar and ticket sales. Those aspects are important, but Performing Spaces invites local government to consider at a strategic level how performing arts centres can and should enable the community and local economy to thrive, prosper and grow.

In presenting Performing Spaces, we see a future where local government and the performing arts are partners in creating community wellbeing.

**Helen O'Neil**  
President  
Performing Arts Connections Australia

IMAGE: We Will Rock You Pilbeam Theatre, Rockhampton (Photo: John Loch)





Cairns Festival Grand Parade

“  
**No successful presenting occurs without the community as context.**  
”

**Keens, W. and Rhodes, N. (Editors) (1989)**  
- *American Dialogue, Association of Performing Arts Presenters*



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## Executive Summary

### Context

Local government plays a pivotal role in building cohesive, liveable, prosperous communities. The performing arts has significant untapped potential as a natural enabler of those outcomes. Local government often holds the key to unlocking that potential. In the majority of cases, performing arts facilities are owned, funded at least in part, and often directly managed by local government. The performing arts centre is the flagship of the community, often sitting in the most prominent place in the town's CBD. Our research tells us that local governments value their performing arts centres first and foremost as spaces that generate community wellbeing. They mention things like community cohesion, vibrancy and growing the local economy.

Yet there is very little guidance for local government in the governance, resource allocation and management decisions for performing arts facilities.

This guide was therefore commissioned by CircuitWest, primarily for local government senior management, to assist them to grow community wellbeing through their performing arts centres and facilities.

### The value of the guide

The value of the guide lies firmly in the results of the activity it catalyses. Following the guide will enable local governments to take action that will achieve outcomes for their performing arts centre:

- i. Increase arts centre utilisation
- ii. Increase attendance
- iii. Increase ability to attract other resources
- iv. Reduce reliance on rates funding

...and contribute to the following public good outcomes for the community:

- i. Enhanced community cohesion and resilience
  - a. social capital, civic pride and pro-social behaviour
  - b. morale of the local community
  - c. reduced social isolation

IMAGE: Theatre Royal 2018 Season Launch

### Executive Summary

- ii. Economic development and population attraction/retention
- iii. Skills/knowledge/capacity development
  - a. capacity building for the local creative community
  - b. increased arts industry stability
  - c. increased sustainability of cultural facilities
- iv. Community support for both the centre and cultural activity.

“ Theatre gives me an interest and I get out of the house. I'd certainly recommend it [My Theatre Mates]. It would help people who were too shy to go. I live alone, I lost my wife three and a half years ago, and the theatre takes me away. I'm a veteran and I've got PTSD and depression, the big step is to get out of the house and get there – so this helps.”

**Jim Britz of Sanctuary Point** – *(Talking about Shoalhaven Entertainment Centre's My Theatre Mates)*

### Strategic context

Local government has evolved over a considerable period; modern local government is no longer just rates, roads and rubbish, and has a significant role in engaging with the community to plan for the future across a broad spectrum of economic, social and environmental wellbeing. Across Australia local government are strengthening regions to ensure they are viable and sustainable.

The performing arts sector has also changed over many decades, and radically over the last ten years. Arts centres are now seen as having a strong alignment with community building and benefits – a shift from a 'home for the performing arts' to a 'place of innovation and learning.'

### Public value

Public value from the performing arts grows from the individual cultural experience into shared cultural experiences over time in a community, generating cohesion, liveability and growth – economically and in civic capacity.



### The performing arts and Integrated Planning and Reporting

The local government long term plan (each jurisdiction has slightly different terminology) is the place to identify the role of the performing arts in growing the economy, increasing social cohesion, and creating distinctive, liveable places. Councils have the responsibility of leading this strategy process with and for their communities.

This points to the need for a robust decision-making framework that is able to explore the costs and benefits of alternative directions and approaches at the strategic level, in a financially constrained world. This is especially challenging given the diversity of local government activity. The framework needs to be applied with a very good understanding of how communities thrive, what the local government can directly achieve, who they can effectively partner with, and who else they need to influence.



*Bibbulmin Koorda, State Arts and Culture Partnership Honours Ceremony. Photo by Courtney Holloway, Courtesy of Department Local Government, Sport and Cultural Industries*

### Summary of critical success factors for a high performing arts centre

The following list of critical success factors is not exhaustive, and each local government and facility will ultimately need to define their own critical success factors in reference to their own specific circumstances.

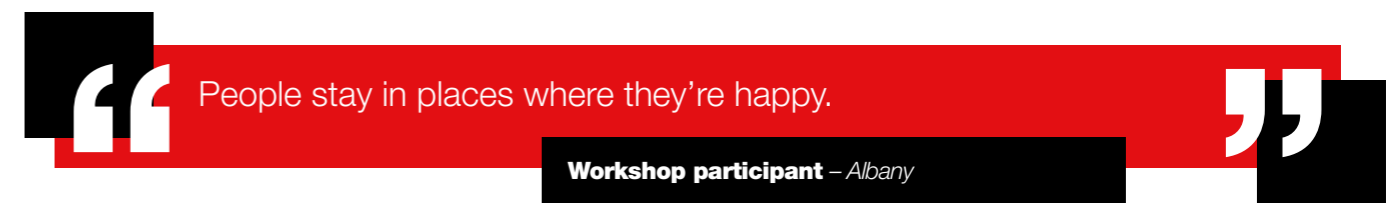
Critical Success Factor	Description
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Develop and approve strategic plan</li> <li>• Approve annual budget</li> <li>• Recruit, terminate, motivate and compensate direct reports</li> <li>• Develop resources</li> <li>• Serve as ambassadors</li> </ul>
<b>Strategic and business planning and monitoring</b>	<ul style="list-style-type: none"> <li>• Long, medium and short-term planning</li> <li>• Plans show an understanding of, and contribution to community outcomes, such as:                             <ul style="list-style-type: none"> <li>- Community identity</li> <li>- Social cohesion</li> <li>- Liveability</li> <li>- Economic development</li> </ul> </li> <li>• Aligns marketing, programming, financial, utilisation and artistic objectives</li> <li>• Informed by evidence (e.g. SWOT analysis, empirical data)</li> <li>• Details the purpose/mission, goals, strategies and actions in a way that is time based and details responsibility for delivery</li> <li>• Includes long term financial plan</li> <li>• Includes an artistic statement or vision and cultural development objectives</li> <li>• Includes an asset management plan</li> <li>• Ability to respond to opportunities</li> <li>• Enables performance monitoring and impact evaluation:                             <ul style="list-style-type: none"> <li>- System for collecting data</li> <li>- Impact evaluation framework in place</li> <li>- Results are communicated and used for continuous improvement</li> </ul> </li> </ul>
<b>Attractive, fit for purpose and well looked after facility</b>	<ul style="list-style-type: none"> <li>• Good vibe</li> <li>• Highly functional, well equipped</li> <li>• Accessible</li> <li>• Maintained and renewed</li> </ul>

**Executive Summary**

Critical Success Factor	Description
<b>Diverse funding sources</b>	<ul style="list-style-type: none"> <li>• Audience</li> <li>• Public sector</li> <li>• Private sector</li> <li>• Philanthropists</li> </ul>
<b>Financial management</b>	<ul style="list-style-type: none"> <li>• Financial controls</li> <li>• Transactions (timely payment of creditors etc)</li> <li>• Reserves</li> </ul>
<b>Enough people with the right skills</b>	<ul style="list-style-type: none"> <li>• Staff</li> <li>• Volunteers</li> <li>• Staff wellbeing</li> <li>• Professional development</li> <li>• Skilled management</li> <li>• Retention and succession planning</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>• Encourages risk and exploration whilst managing exposure</li> <li>• Adopts tools, systems and leadership skills that support innovation</li> </ul>
<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• Invests resources in identifying and enabling partnerships</li> <li>• Collaborative initiatives</li> <li>• Partnerships for cultural leadership</li> </ul>
<b>Appropriate authority</b>	<ul style="list-style-type: none"> <li>• Authority to decide, act and be accountable commensurate with the needs of effective operations and programing</li> </ul>
<b>Program</b>	<ul style="list-style-type: none"> <li>• Program Plan that sets out: <ul style="list-style-type: none"> <li>- quality/great art</li> <li>- aims of the program over a multi-year period (3 to 5 years)</li> <li>- links to community outcomes, education and cultural development objectives</li> <li>- types of events that will be programmed</li> <li>- balance of local work versus work from elsewhere, and new versus established work</li> <li>- community segments for which the events are chosen, reflecting diversity of community</li> <li>- links to community engagement and audience development, partnerships etc</li> <li>- A balance of commercial hires and entrepreneurial presentations</li> <li>- Connections to the objectives of the Council</li> </ul> </li> <li>• Developed in collaboration with other departments (particularly marketing)</li> <li>• Complements existing community and/or industry programs</li> <li>• Programs delivered beyond the boundaries of the facility</li> </ul>

**Executive Summary**

Critical Success Factor	Description
<b>Risk management</b>	<ul style="list-style-type: none"> <li>• Investment decisions and risk</li> <li>• Integration with enterprise risk process – clear understanding of risk appetite and expectations around risk, which includes: <ul style="list-style-type: none"> <li>- Financial risk</li> <li>- Artistic risk</li> <li>- Reputational risk</li> </ul> </li> <li>• Empowered to balance ‘business’ and ‘arts’ to ensure financial viability while delivering on relevant community outcomes</li> <li>• Effective management of WHS risks.</li> <li>• Business operation outside/beyond normal business hours</li> </ul>
<b>Community engagement</b>	<ul style="list-style-type: none"> <li>• Creates value with and for the community</li> <li>• Closing the gap between art and audience</li> </ul>
<b>Marketing and audience development</b>	<ul style="list-style-type: none"> <li>• Has appropriate connected plans – audience development, marketing, community engagement</li> <li>• Well-researched</li> <li>• Consistently high standards of promotion for shows in an effective and timely manner</li> </ul>
<b>Connected to the industry</b>	<ul style="list-style-type: none"> <li>• Locally, regionally, state national and international</li> <li>• Community resource offering services that increase the capacity of the arts and cultural organisations within and around them</li> <li>• Connected to other centres – not working in isolation</li> <li>• Contributes to sector development</li> </ul>
<b>Good to deal with</b>	<ul style="list-style-type: none"> <li>• Customer service</li> <li>• Liaison with producer/tour coordinator</li> <li>• Reputable engagement with funding bodies, donors, partners etc</li> </ul>
<b>Operating procedures and policies</b>	<ul style="list-style-type: none"> <li>• Procurement</li> <li>• Competitive neutrality</li> <li>• Advance deposits</li> <li>• Gifts</li> <li>• Travel</li> <li>• Policies are in place e.g. workplace policies, reconciliation action plan, disability action plan, etc</li> </ul>





## Measuring success

There is a significant mismatch between what local governments value in their performing arts facilities and, by and large, what they are measuring. In order to get the best out of their performing arts facilities, local governments need to better understand what value they are, or could be, delivering.

Measuring success for a performing arts facility involves selecting and monitoring indicators at three levels. The first is based on the facility's critical success factors (e.g. programming, marketing, engagement). The second level is based on the centre outcomes (e.g. utilisation, attendance). Level 3 is the most challenging and is based on the anticipated public good outcomes.



# 1 Introduction

## Why a Guide?

### THE AIM OF THE GUIDE

**This guide specifically aims to assist local governments to grow community wellbeing through their performing arts centres and facilities.**

Local government plays a pivotal role in building cohesive, liveable, prosperous communities. The performing arts has significant untapped potential as a natural enabler of those outcomes. Local government often holds the key to unlocking that potential. In the majority of cases, performing arts centres are owned, funded heavily or at least in part, and often directly managed by local government. Local government's contribution to the national landscape of the performing arts and cultural infrastructure is undeniable. The research for this project revealed that local governments are seeking a closer alignment between their investment in performing arts and the community's vision and priorities. What they value most about their performing arts centres are things like community cohesion, vibrancy, and growing the local economy.

Whilst the arts may make a distinctive contribution, local government needs to weigh community benefit across very different activities, for example, roads, parks, libraries and events, on an apples-for-apples basis.

It is evident that many struggle to balance the community benefits of the performing arts – which may not always correspond to high sales at the box office – with the affordability of their assets and services overall.

Yet there is very little guidance for local government in their governance, resource allocation and management decisions. This guide serves to fill this gap. It lays out a framework to help local governments determine, with their communities, the role of the arts in liveability and prosperity; strategise and set priorities; establish effective partnerships; measure impact; and ensure the optimal governance and management arrangements are in place.

The guide focuses on the *outcomes* of arts activity supported by local government and their cultural facilities. It is a tool that focuses predominantly on building strong communities as opposed to 'putting more stuff on' at your arts centre.

More simply, it is primarily about maximising the effective use of existing resources – or getting the most out of your performing arts facilities.

IMAGE: Ballet at Munro Parklands, Cairns



## Introduction

### Background

This guide was commissioned by CircuitWest in response to the 5-year Touring Strategy that identified the need to improve the relationship between performing arts and local government, and the connection between performing arts activity and local government's community wellbeing objectives.

The project was informed by direct consultation with local governments and arts workers, as well as primary research commissioned by CircuitWest that questioned how arts centres could increase output and effectiveness.

The guide draws in insights gathered from CircuitWest programs that were delivered as part of the Creative Regions program, a \$24 million State Government investment in regional arts and culture over four years, between 2015 and 2018. This included a program for regional performing arts venues to develop business models and provide professional development and programming strategies aimed at increasing the viability of regional touring circuits throughout WA and retaining key people.

The performing arts encompass a wide range of performances and activities; popular and cutting edge, community and professional, traditional and classical; from opera to puppetry to rock concerts; from mainstage performances to residencies and workshops. This guide centres predominantly on performing arts that are not solely commercial or entertainment focused but have a broader social impact.

### Who is it for?

This guide is primarily designed for local government senior management. Whilst not drafted specifically with elected members in mind, it is a resource that can be used to aid decision-making at the elected councillor level.

We also anticipate the guide will be used by arts practitioners and arts centre boards or management committees. It is vital that the culture sector seeks to find a common language and shared measures of the contribution of the arts, both locally and nationally.<sup>1</sup>

Indeed, we hope the guide will help to facilitate and enhance dialogue and collaboration amongst all stakeholders. PAC Australia encourages the development of shared language and understanding across the breadth of the performing arts ecology. It is only through this shared understanding that the true potential of the arts in local community wellbeing can be explored and realised.

### How the guide will deliver value

The value of the guide lies firmly in the results of the activity it catalyses to deliver best value, as shown in Figure 1 and described below.

## Introduction

Following the guide will enable local governments to take action that will achieve outcomes for their performing arts centre, such as:

- i. High quality art
- ii. Growing audiences
- iii. Engagement

...and contribute to the following public good outcomes for the community, such as:

- iv. Stronger communities
  - a. enhanced community cohesion and resilience
  - b. social capital, and pro-social behaviour
  - c. morale of the local community
  - d. reduced social isolation
- v. Vibrant town centres
  - a. successful social and civic gathering places
  - b. civic pride
- vi. Business growth
  - a. Economic development
  - b. Population attraction and retention

These outcomes are interdependent and, in an ideal world, mutually reinforcing. For example, increasing audiences will reduce reliance on rates funding but will also strengthen the community over a period of time. As shown in the diagram, this enhances legitimacy and community support, which creates a positive environment for public reinvestment. This is the sort of virtuous circle a high performing arts facility aims to generate.

### SNAPSHOT

In February 2017, Arts Margaret River were approached by the local Tattoo Shop to help organise a fundraising event to support mental health in young people through Lamp Inc.

The event involved six heavy metal bands donating their time and the local tattoo artists painting skateboards to be auctioned off on the night.

This was a demographic that would not normally use the Cultural Centre but by working with the local artists, listening to what they wanted and supporting them to perform in an arts centre, as opposed to the football club or the tavern, together we mounted a successful event. We created a point of connection and celebration for a diverse group of people in the community, changed perceptions about who uses the venue, raised funds for Lamp Inc and awareness about mental health.

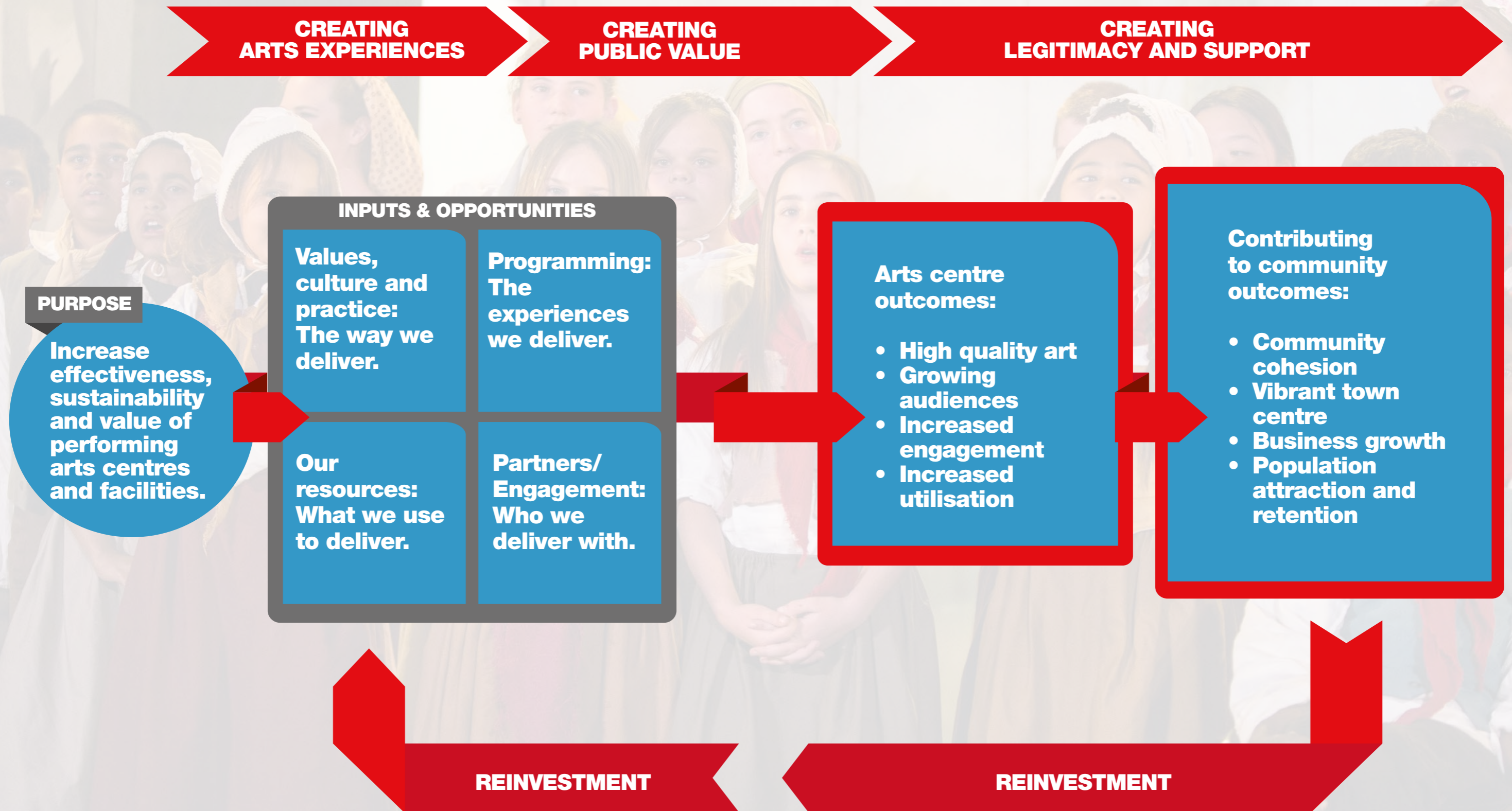
Every band came and thanked us for the opportunity to be able to perform "on a real stage" and we now have a new group of our community who feel an attachment to the Cultural Centre.

**Andrew Frith** – General Manager

<sup>1</sup> British Council (2017) Culture: Building Resilient Communities – A Report on the Edinburgh International Culture Summit 2016, <http://culturesummit.com/news/culture-building-resilient-communities-report-eics-2016>



Figure 1 How the guide will deliver value



The Marriage of Figaro Tenant Creek Children's Chorus, Opera Australia





## 2 Strategic Context

### STRUCTURE OF THE GUIDE

The remainder of the guide covers:

- Strategic context
- Local government decision-making
- What does a high performing arts centre look like?
- Best practice governance and management
- Measuring success

### Overview

Local government has evolved over a considerable period; modern local government is no longer just rates, roads and rubbish, and has a significant role in engaging with the community to plan for the future across a broad spectrum of economic, social and environmental wellbeing.

The performing arts sector has also changed over many decades, and radically over the last ten years. To fully understand the current state of the sector, it is necessary to have an understanding of how the sector has developed and how this relates to its evolving role in building a thriving community.

The following sections briefly traverse these developments.

### Local government context

“... we are struggling with economic upheaval, rising inequality, loss of social cohesion, increased rates of mental illness and serious environmental threats... [We are] losing faith in our basic democratic institutions and withdrawing from active participation in civic and cultural life. Our reputation as an inclusive, tolerant and compassionate society is under threat.”

Declaration, Future of Local Government Conference, May 2017 –  
Municipal Association of Victoria<sup>2</sup>

<sup>2</sup> Municipal Association of Victoria (2017) Future of Local Government Conference, May 2017, Declaration, [https://logonet.dotorgdotau.files.wordpress.com/2017/06/2017-folg-\\_declaration\\_final.pdf](https://logonet.dotorgdotau.files.wordpress.com/2017/06/2017-folg-_declaration_final.pdf)

### Strategic Context

People want to live in strong communities that are happy, sustainable and attractive and, by and large, they have a strong expectation that their local representatives will help them to do that.

Local governments face increasing demands to deliver more and wider services, at higher standards, while keeping rates as low as possible. This is a pressure cooker environment for local governments, constantly balancing the community's aspirations with the community's ability and willingness to pay.

At the same time, local government works with communities to envision and create their desired future. This encompasses the bigger picture of community wellbeing, which sits above and beyond the scope of local government services. Desired outcomes tend to be universal and expressed in terms such as social cohesion, civic pride, social capital, harm avoidance, tolerance, understanding and pro-social behaviours.

In pursuit of the community's vision, many councils actively advocate for investment by other spheres of government (and, in some cases, the private sector) in their community's future. Furthermore, many local governments have realised that strong partnerships with internal and external partners are crucial to their success.

Local government is increasingly focused on capacity-building and empowerment of their communities as a means to ongoing vitality and overall wellbeing. This includes building resilience, which is a crucial factor in today's society, where local governments deal with increasingly complex social issues.<sup>3</sup>

This broad interest in social, civic and economic outcomes provides strategic context for the provision of arts and cultural services. Cultural activities are seen as a valuable forum for social examination and debate, and a means of fostering the creativity, innovation and dialogue necessary for economic development.<sup>4</sup> They are also a means to directly increase the liveability and vitality of a place, as a way to retain and grow local population and a healthy environment for local businesses to thrive.

According to *Living in the Regions 2013*, a report by the Department of Regional Development, two of the top four reasons people live in the regions are lifestyle and social life.<sup>5</sup> This is particularly important in the context of recent findings by the Regional Australia Institute, which notes that 21 Western Australian local government authorities experienced population decline of 1% or more in the period 2006 to 2011.<sup>6</sup> As an example of the toll this takes on a community, the City of Karratha recently valued the economic cost of emigration per employed person at \$121,290.

The next section talks about the way that the performing arts sector has developed into this arena of social, civic and economic outcomes, beyond the individual's immediate experience of a performance. “No longer is (the arts organisation) thought of as delivering outputs such as performances or exhibitions, but as the creation – and co-creation – of impacts and outcomes...”<sup>7</sup>

<sup>3</sup> Department of Local Government and Communities (2015) *Community Development: A Guide for Local Government Elected Members*, Government of Western Australia

<sup>4</sup> World Commission on Culture and Development (1996) *Our Creative Diversity*, Report, UNESCO, Paris

<sup>5</sup> Department of Regional Development (2013) *Living in the Regions 2013*, Government of Western Australia [http://www.drd.wa.gov.au/Publications/Documents/Living\\_in\\_the\\_regions\\_2013\\_State\\_Report.pdf](http://www.drd.wa.gov.au/Publications/Documents/Living_in_the_regions_2013_State_Report.pdf)

<sup>6</sup> Regional Australia Institute calculations based on ABS (2011) *Census of Population and Housing data*

<sup>7</sup> Adair, D. (2014) *Genuine Mutual Benefits: A Public Value Account of Arts Community Engagement Programs as Core Business*, *Asia Pacific Journal of Arts & Cultural Management*, Vol. 11 Iss. 1, December 2014, University of Melbourne, p. 18



## Strategic Context

Whereas local government and the arts sector sometimes seem to be coming from very different perspectives and may conflict on priorities, the common ground is the notion of public value.

The creation of public value involves “...building capacities and creating opportunities for all citizens to engage in the shared life of their societies”,<sup>8</sup> claims David Adair, who goes on to quote Mark Moore: “The most important reason to want a strong arts community is that it creates citizens who participate in a strong civic culture.”<sup>9</sup>

## Performing arts sector context

The **Four Generations of Arts Centres** model, developed by Steven Wolff,<sup>10</sup> describes how modern performing arts centres have evolved over the past 50-60 years. In the model, Wolff describes the key development as relevant, authentic celebrations of cultural diversity, leading the way in ensuring that the performing arts have a place in the cultural identity and expression of citizens and communities worldwide. He adds that modern arts centres are a major, positive force in the arts and cultural ecosystem and the economic vitality of many communities.

These arts centres are seen as having a strong alignment with community building and benefits; a shift from a home for the performing arts to a place of innovation and learning.

### Four generations of Performing Arts Centres

Steven Wolff, AMS Planning and Research

The four generations of performing arts centres are distinguished by Wolff as follows:

- 1. Home**, 1960s – showcase for the arts – a home for an arts organisation.
- 2. Place**, 1970s – realised secondary effect on neighbourhoods’ economies with benefits to other business like restaurants, retail, housing - making the area more attractive to live in and work in. An anchor for vibrancy and liveability.
- 3. Centre**, early 1990s – a community’s centre - broader role in community – extending into education programs - providing better community access bringing diverse communities together – building civic pride, cohesion, diversity.
- 4. Creativity and Innovation** – facilitating a learning environment: new experiences, new knowledge created, enhanced cultural awareness, encouraging exploration, considering different viewpoints and dialogue. A resource for the arts, not just a means of delivering the arts. These centres are not limited by their physical boundaries. They add value, build capacity and create opportunity.

<sup>8</sup> *ibid* P17

<sup>9</sup> Moore, M. H. (2012) *Creating public value through a strong arts community*, Public lecture at Queensland Performing Arts Centre

<sup>10</sup> Wolff, S. *Rethinking Success: The Evolved Performing Arts Center*, AMS Planning and Research, <http://www.ams-online.com/the-evolved-pac/>

## Strategic Context

### The business of ‘presenting’ in 2018 and Presenting 3.0

The business of presenting (Figure 2) involves many functions that extend beyond the customary role of hosting performances. Increasingly, presenting involves any one or more of a broad set of functions including:

- Brokering – undertaking negotiations with performance makers, promoters, producers and/or other presenters.
- Curating and programming – designing activities and programs that are tailored to the community and devised to achieve a range of predetermined goals, both financial and creative.
- Performing arts centre operations – tasks involved in venue systems and management that ensure a high functioning organisation and fulfil the traditional role as host.
- Access and engagement activity – programs and endeavours that support and encourage both community and artists to have a better connection with a presenter, and allow the presenter to be entangled in the different elements of the community.
- Research and development – investigating the evolution of cultural and creative innovation, market innovation, organisational innovation, in addition to audiences and industry trends.
- Marketing and audience development – a planned and targeted management process which involves programming, education and marketing (underpinned by research and evaluation) working together to deliver an organisation’s overall objectives.
- Making work or ‘producing’ – enabling new content, supporting emerging and established performance makers and providing management guidance that facilitates success.

Figure 2

The business of presenting





## Strategic Context

In a similar vein to the four generations of arts centres, Brian McCurdy<sup>11</sup> notes an evolution of presenting practice.

He suggests that 20 years ago Presenting 1.0 was the standard practice. The predominant programming criteria were transactional: buying shows, selling tickets, getting it on the stage. The key question asked was: “Will we make money from this show I am bringing in?”

In Presenting 2.0, he suggests, the presenting choices evolved from looking only at the financial implications to a more mission driven approach. Artistic vision became the driving force behind programming decision-making and the word curator was adopted.

McCurdy proposes that many performing arts centres are currently functioning in the 2.0 mode, but the field is trying to evolve to Presenting 3.0. The 3.0 model is a profound shift to acting as a community cultural developer.

Whilst this is a big ask for a lot of under-resourced presenters or arts centres, it represents a real opportunity for their development.

### SNAPSHOT

Local circus trainer Tracy Harrington of Pulse Circus has a way of working with disengaged school students that brings out the very best in kids the school system has given up on. Mandurah Performing Arts Centre sent her into Waroona Senior High last year to work with Years 7 and 8. One of those boys would only turn up at school on the days that Tracy ran her workshops. Her ability to enable him to gain skills, to be proud and grow in confidence is just gold. He joined over 40 kids from Waroona who took part in the KAYA Opening Event for the WA Regional Arts Summit in October last year.

**Guy Boyce** – Artistic Director / CEO, Mandurah Performing Arts Centre

## Key contemporary issues

This section is designed to assist readers to apply the content in this guide. It outlines key contemporary issues that currently impact on the performing arts sector and effective use of performing arts facilities.

These issues were identified during extensive consultations in 2016/17 to develop the CircuitWest 5-year Touring Strategy. Consultations were undertaken online and in face-to-face meetings across regional WA, from Broome to Esperance. The consultation sought the views of people working with or connected to the performing arts sector about what was working and what was not working.

<sup>11</sup> McCurdy, B. (2015) Ontario Presents appoints Brian McCurdy to lead its Municipal Performing Arts Centres Project, Ontario Presents, blog, <https://ontariopresents.ca/news/ontario-presents-appoints-brian-mccurdy-lead-its-municipal-performing-arts-centres-project>

## Strategic Context

### Barriers and Opportunities

Several barriers and opportunities exist in regard to performing arts activity. The barriers cluster around four broad, key areas:

- Resources – human, knowledge and physical
- Forward planning
- Marketing communications and audience research
- Stronger networks and relationships

Opportunities focus on these same areas and can be expanded to include:

- Relationships, specifically with local government and the connection between community development objectives and performing arts activity
- Building presenter resources to:
  - Increase capacity to present
  - Support local artists and creators
  - Support a hub-and-spoke approach to extend reach
  - Reduce the operational nature of the centre manager’s role or increase capacity of the centre manager to drive strategy
- Developing a strategic and balanced mix of programming
- Funding programs – revision, amendment, alignment and additional investment

Data from the online survey established that 54% of outcomes that presenters hope to achieve by presenting performances relate to community building.

### Local Government

The consultation revealed a common disconnection between local government and arts centres, and a limited ability for arts centres to engage effectively in the resource allocation process. Typical concerns related to a mismatch between sector expectations and council expectations of the costs and benefits of touring activity. There is little meaningful engagement on the return on investment in cultural activity and particularly arts centre operations, and seemingly scant regard to the stated objectives in council business plans, cultural plans and regional development plans about building stronger, more vibrant communities, increasing liveability, retaining and attracting residents and creating more positive perception of the particular area.

Respondents also noted multiple instances of disempowerment of people responsible for managing cultural facilities. These people are often mid-level managers, with a limited circle of influence and decision-making authority.

The extent to which local government events (often free) were competing for resources and audiences was consistently raised; indeed, the lack of integration and collaboration between local government events and cultural teams was noted on many occasions.



## Strategic Context

### Seasonality

Recognising and accommodating seasonality was identified as important, not only in a regional, agricultural or presenting sense but also a producing sense. In other words: getting the timing right. Consultation participants noted that there are rhythms of activity for producers and presenters that sometimes are not understood or addressed when tours are planned. This could include harvest or seeding times or a producer's commitment to annual activity, such as accommodating school terms or participating in international events. This can result in work gluts at times and an inability to program in an effective and strategic manner.

### Programming – “They have taste here”

Consultation participants declared that their communities have discerning cultural appetites but capacity and resource issues often make it difficult for presenters to take risks with programming. Indeed, 78% of presenter respondents to the online survey indicated they would like to present a broader range of art forms, with 64% indicating a specific desire to present more Indigenous work. Constraints on long-term planning appear to be a critical factor limiting a strategic approach to programming. Fitting a calendar year of programming within the constraints of local government financial year is problematic. Similarly, a lack of programming plans or guides can result in a reactive, ad hoc approach to programming.

## Strategic Context

### Connecting Creative Communities

A lack of awareness of performance activity taking place in communities was a common theme. Many consultation participants suggested this activity could be better supported or leveraged. One presenter said, “It’s not that stuff isn’t happening, it’s that we don’t know each other”. It was also noted that it was difficult to identify talent and other cultural stakeholders or leaders in the community because there was no person or entity that enabled connection of the creative community. Producers and presenters noted their desire to be aware of other activity in their region and the potential to share activity and resources. This issue included inter-regional connections as well as intra-regional.

The simple act of connecting people was seen as a critical step in supporting more performing arts activity. Both QLD and NSW have networks of organisations and individuals based in the regions to facilitate the connection of creative activity and artists.

Queensland formed the Regional Arts Service Network (RASN) to prioritise local needs and build networking and collaboration across regions and between artists and companies. RASN is a network of eight regional arts service providers, who work together to deliver on-the-ground arts services in communities.

Regional Arts NSW oversees 14 Regional Arts Organisations providing strategic direction for sustainable arts and cultural development in their region. These organisations coordinate a cultural development program across the contributing local government areas.

## SNAPSHOT

**Our aim at the Civic Centre has always been to bring people together, people who would not normally associate with each other.**

At our last show we had a man who I hadn't met before, he came up to me to tell me how wonderful the show was and to thank me for all the hard work we put in. As I shook his hand I felt the callouses on his palm. He went on to tell me he was a plantation owner in the town and how two years ago the cyclone devastated him as his crop was wiped out and he lost everything. He said it hurt him so badly he didn't want to go on. But then he said 'I come to nights like this, I see people I haven't seen in years, listen to great music and I feel like I can go that little bit further. This really means a lot to me.'

**This is what people in the Arts industry work for, these comments that mean you're making a difference.**

**Michelle Goff** – Venue Manager, Camarvon

## DEFINITION:

**Curator** – Medieval Latin *cūrūtus*: one responsible for the care (of souls).



## Themes of change.

Over the course of the consultation, people offered information that indicated a shift in thinking and practice in the presenting landscape. This information was reflected back to people participating in the consultation as the project progressed and, as a result, several themes of change emerged. (Table 1)

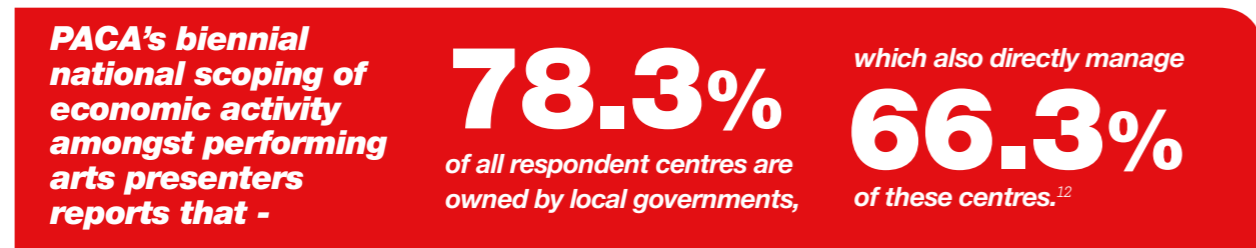
**Table 1** Shifting presenting landscape

FROM	TO
Supply focus	Demand focus
Isolated	Connected (online) i.e. not missing out Centre of the universe
Presence	Relevance
Do it to us	Do it <i>with</i> us
Accepting what's on offer	Self-determination; we want to choose; empowerment We have taste here
Equality of distribution Giving regional people what the city gets	Telling our own stories - putting stories in a local context Creating Intra-regional
One-night stand	Stay a while – longer, slower, deeper
Serving Do it for us	Enabling If you just bring us together, we'll get on with it
Subservient; indebted	Equal / Partner Don't expect us to be grateful to you for coming to us
Output (the activity)	Outcomes (the impact) Reframing what we do in terms of value and outcomes
Standardised One size fits all	Bespoke Tailored programs and solutions
Anecdotal – 'we think...'	Evidence – 'we know...'
Out-dated	On-demand, responsive
Content	Context
Me The cultural Tsar	Us What do we want collectively
"You need to understand us" (message from the sector to local government)	"We need to understand you" (message from the arts sector to local government)
Bricks and Mortar	The heart of what we do
Loss	Investment

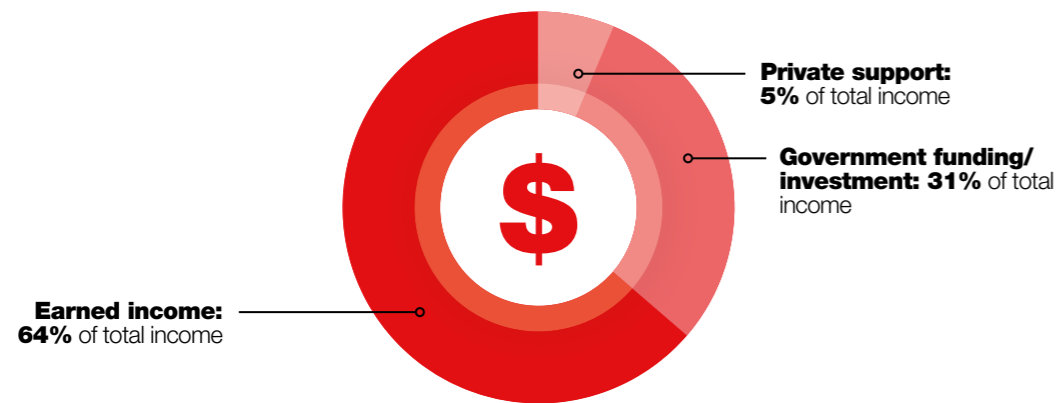


**Key Facts – PAC Australia biennial online survey; Economic Activity Report**

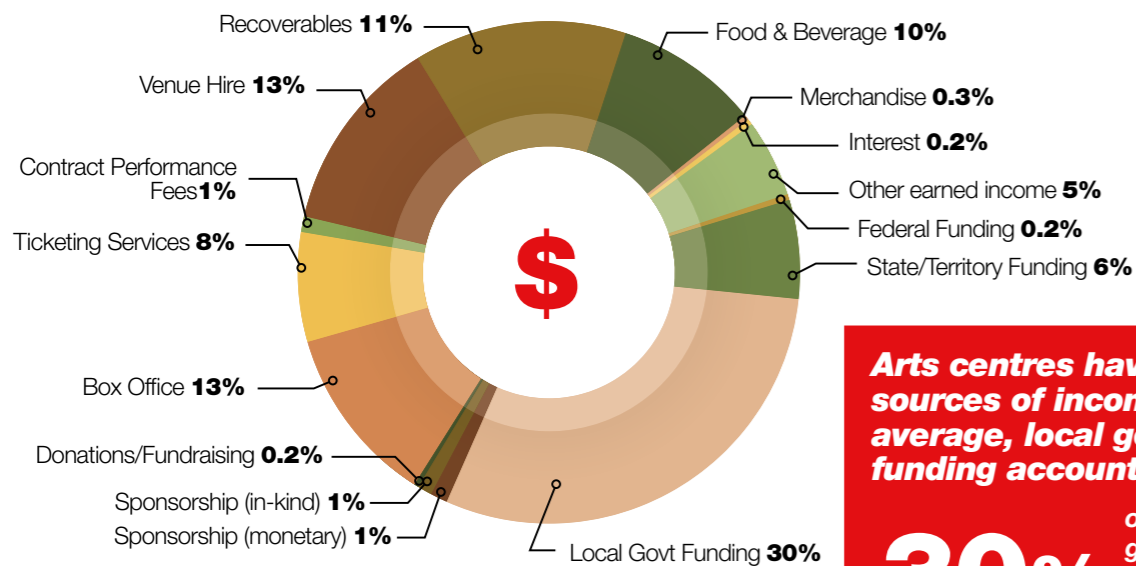
**Figure 3 Ownership and management**



**Figure 4 Average Sources of Total Income for Australian Arts Centres**



**Figure 5 Sources of income**



Note: One major city venue was excluded as the total value of turnover for the venue significantly skewed the average results.

**Arts centres have multiple sources of income. On average, local government funding accounts for 30%** of all income generated and received by performing arts centres (Figure 5).

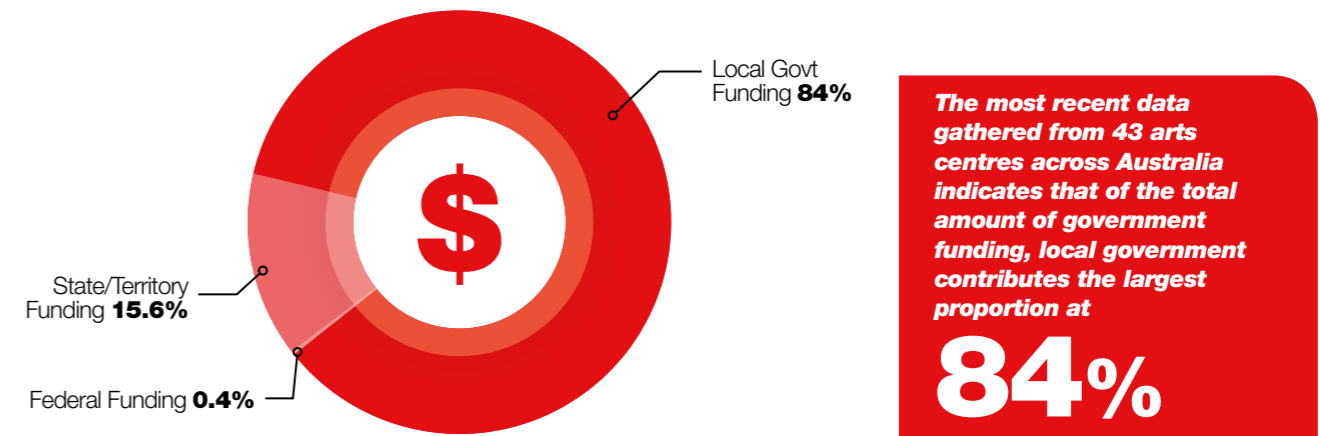
Government contributes a large proportion of the total income received and generated by arts centres. The average investment is outlined in Table 2; however, depending on the scale of activity, the investment from government can be the largest proportion of income or one of the lowest.

**Table 2 Average government funding received**

Average government funding received based on arts centre annual turnover [2013 & 2016].

Turnover	Government funding
\$5M to \$12M	\$2,073,910
\$2M to \$5M	\$1,285,231
\$1M to \$2M	\$757,085
Less than \$1M	\$417,965

**Figure 6 Government funding by source**



**37** respondents, representing approximately **31%** of PAC Australia's venue-based membership, provided the total value of the contribution of their primary source of operational subsidy including the total value of their Community Service Obligation (CSO). **The total value reported was \$49.4 million**

<sup>12</sup> APACA 2015 Economic Activity Report



## Strategic Context

### Utilisation rates

The average utilisation rate across all performance spaces within centres was 58% in 2017 (Table 3).

**Table 3** Venue utilisation of main performance space by state

State	Average Utilisation %	Average # days available	Average # days unused	Number sampled (n=)
ACT	n/a	n/a	n/a	0
NSW	52%	330	158	15
NT*	n/a	n/a	n/a	2
QLD	58%	335	142	12
SA*	n/a	n/a	n/a	2
TAS	56%	344	150	4
VIC	69%	306	94	13
WA	67%	307	101	5

\* Data provided from the NT and SA is excluded so as not to identify the respondents.

### Activity levels

In 2017, 36% of activities undertaken at respondent centres were classified as non-arts related (Table 4). Professional performances accounted for 40% of all performances in 2017, while 60% were community performances.

**Table 4** Venue activity levels

State	Total performance	Performance Attendance (n=44)	Total of All Activities (n=42)	Overall Attendance (n=44)	Total Non-Arts Activities (n=43)	% Non-Arts Activities
ACT	n/a	n/a	n/a	n/a	n/a	n/a
NSW	3,533	763,322	5,228	1,126,762	1,675	32%
NT*	n/a	n/a	n/a	n/a	n/a	n/a
QLD	1,961	520,268	5,196	1,142,720	3,235	62%
SA*	n/a	n/a	n/a	n/a	n/a	n/a
TAS	665	183,809	927	207,547	262	28%
VIC	22,947	2,030,637	34,548	3,926,239	11,601	34%
WA	1,094	248,086	1,526	407,178	532	28%
<b>TOTAL</b>	<b>30,694</b>	<b>3,804,513</b>	<b>48,114</b>	<b>6,877,058</b>	<b>17,420</b>	<b>36%</b>

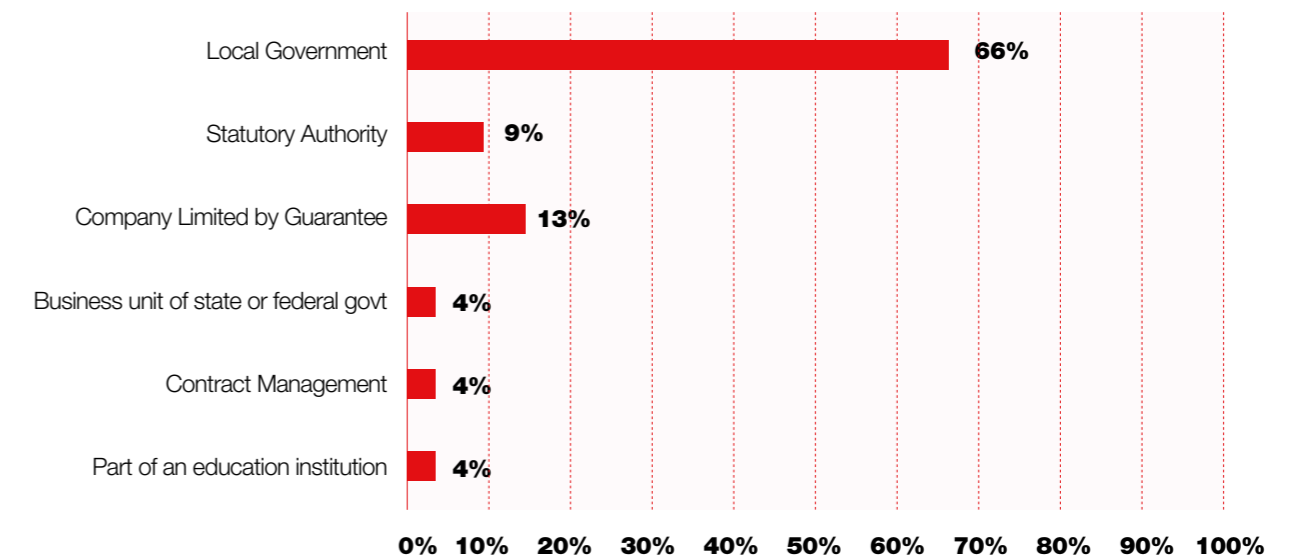
\* Data provided from the NT and SA is excluded so as not to identify the respondents.

## Strategic Context

### Management models

The majority of respondents' venues (66%) are managed directly by Local Government. A number of Local Government owned centres are managed via other models, including contract management and company limited by guarantee, indicating a Local Government ownership level of 74% of respondent centres.

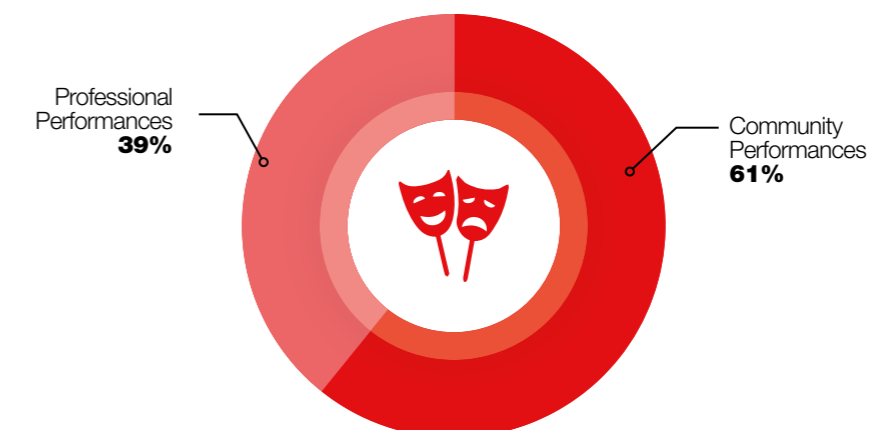
**Figure 7** Management models for centres



### Arts versus non-arts

Access to arts centres for community related activity on average is comparatively high in regard to professional performances (Figure 8). Community performances are defined as activities by amateur performance groups, dance and drama groups and schools using venues for performances.

**Figure 8** Professional vs community performances







*The Creation of Now: Annette Carmichael. Photo by Krysta Guille*

## Strategic Context

### **Public value: Where local government and the performing arts intersect**

With over 66% of arts centres owned or operated by local government, a key challenge in creating opportunity and access in arts lies in ensuring that value or benefits of cultural activity is truly understood by decision-makers in local government.

Measuring value is particularly difficult for activities that:

- deliver private benefit (to the direct users) and wider social benefits (spillover effects to the community as a whole)
- do not generate sufficient financial returns to enable the service to be provided on a purely user pays basis
- generate some returns that are inherently intangible (and open to debate) to both the individual and society

Libraries, swimming pools and arts centres, galleries and venues are all examples of these types of activities. In all Australian jurisdictions they are discretionary activities for local government. See Appendix 1 for a user-friendly explanation of the economics involved, and why normal market principles don't apply. Lack of understanding on this often lies behind an unrealistic expectation that performing arts centres will generate net revenue.

Benefit to the direct user is relatively easy to measure – attendance and ticket sales are a proxy for that benefit, as it is assumed that the user (audience member, in the case of performing arts centres or venues) anticipates that their benefit will be equal to or greater than the cost of the ticket. This benefit can then readily be aggregated and compared to the cost of provision, including marketing costs, production costs and venue running costs.

However, the arts are not normal market goods. Pricing cannot recover the cost of provision or capture the wider social benefits. If this wasn't the case, local government could just leave it to the private sector and not be concerned about the level of provision that ensued.

Furthermore, the private benefit is not limited to the enjoyment of the performance anticipated by the ticket purchaser. They may experience a shift in understanding that has a significant impact on their way of seeing the world and aspects of their life. The price of the ticket cannot be a proxy measure for benefits such as this.



## Strategic Context

This individual cultural experience is at the heart of the spillover benefits, which stem from shared cultural experiences over time in a community, generating cohesion, liveability and growth – economically and in civic capacity. These are explored more fully in the figures below.

### Instrumental and Intrinsic benefits

The notion that the performing arts help us to get or achieve something is an **instrumental** view of the benefits. By contrast, **intrinsic** benefit is the value that something has in itself (in this case, what is referred to as “art for art’s sake”). Paradoxically, it is only by enabling the intrinsic benefit to be achieved through the realisation of the artist’s vision and expression that the whole “architecture of value” is unlocked (as outlined below).

On debating intrinsic and instrumental value rationales for the arts, John Knell states, “I’d fight anyone to ensure that artistic excellence remains the foundation stone for public funding of the arts – and, in turn, to fight for the right for artists to change direction, take risks, and have freedom of artistic expression.”

This also implies that program content can’t be left to opinion polls, slavery to the box office, or the preferences of well-meaning officers. While sensing and responding to the community is critical, there is also a role for courage and leadership in presenting content that challenges and provokes.

### Link to Infrastructure

Performing Arts Connections’ own primary research tells us that cultural infrastructure, specifically performing arts centres, have average utilisation rates of 56% (down from 59% in 2015).

Across Australia billions of dollars’ worth of performing arts infrastructure exists. Each year, new performing arts centres are built and more are in development. Many existing centres are willing and able to fully realise their latent potential and local governments are looking for ways to connect communities and build community wellbeing.

By better aligning local government resources, community knowledge and expertise and developing connections for communication and collaboration, these assets can generate considerably more value for the communities they serve.

## Strategic Context

### An architecture of performing arts value

Arts centres and presenting practice are evolving to a more holistic, open and broader reaching model that leads and offers support for arts and cultural practice as a whole, in the context of wider community benefits. The way we measure and talk about this value is critical, as shown in the figures below.

Figure 9a describes the moment of sitting in a theatre, the live experience and the impact on the individual at the time. These impacts have been identified and grouped as follows:

- Captivation or ‘flow’ a sense of being caught up in the moment.
- Intellectual stimulation
- Emotional resonance – how the experience made you feel
- Spiritual Value – a sense of being uplifted or inspired
- Aesthetic growth – developing artistic understanding
- Social bonding.

Figure 9b describes how, after the event, the personal experience delivers personal development impacts and, when shared with other people, delivers personal interaction and communal meaning. This figure highlights broader social and economic impacts. Figure 9c provides further detail under each of these spheres.

Whilst we may react to a single performance or creative experience, the cumulative impacts are much more significant and often relate directly to local government community development objectives and public value.

This is important in regard to measurement, evaluation and planning. A short-term, program and individualised evaluation will not capture the long-term, broader impacts of performing arts activities for the community at large.





# An Architecture of Value

Adapted from Gifts of the Muse, RAND Corporation

Figure 9a An architecture of performing arts value <sup>13</sup>

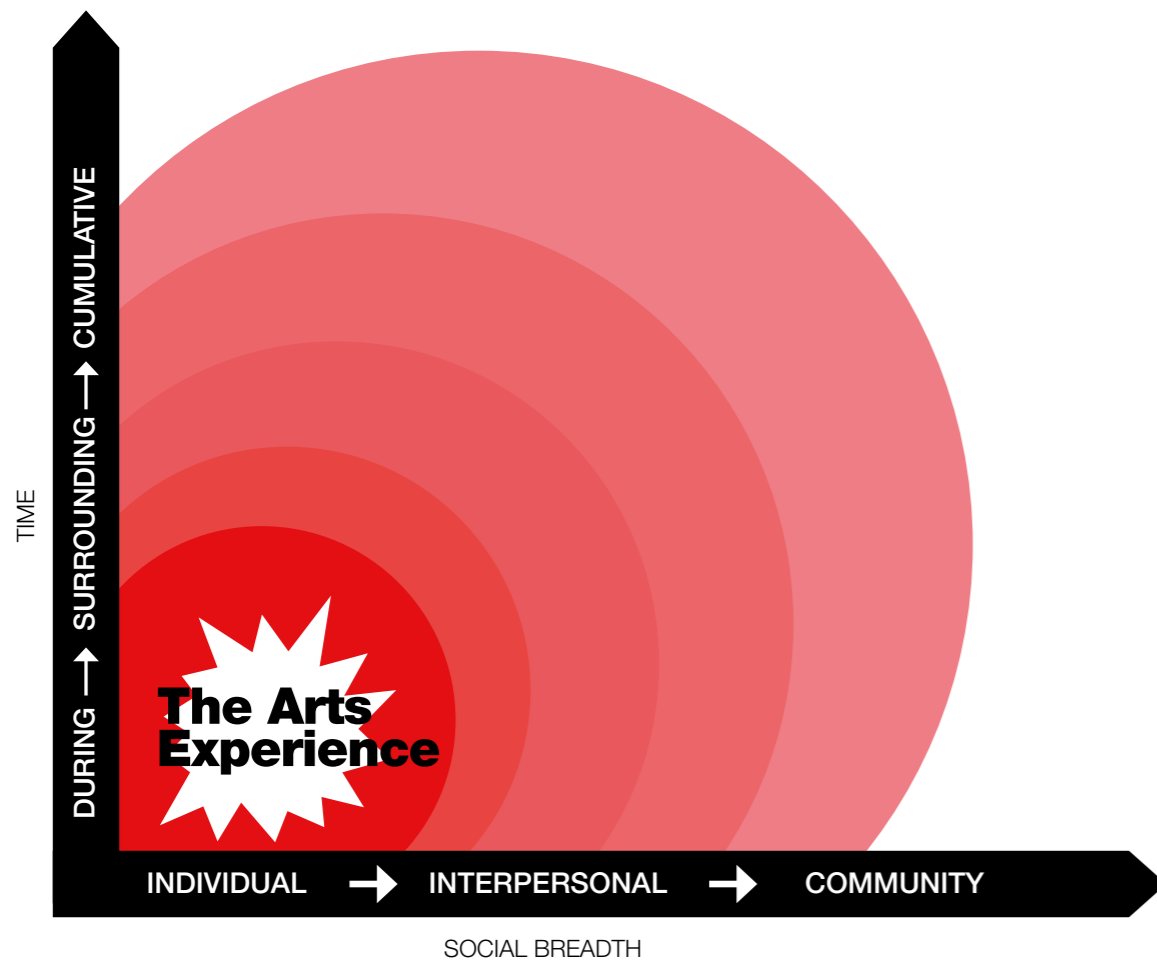


Figure 9b Personal development impact

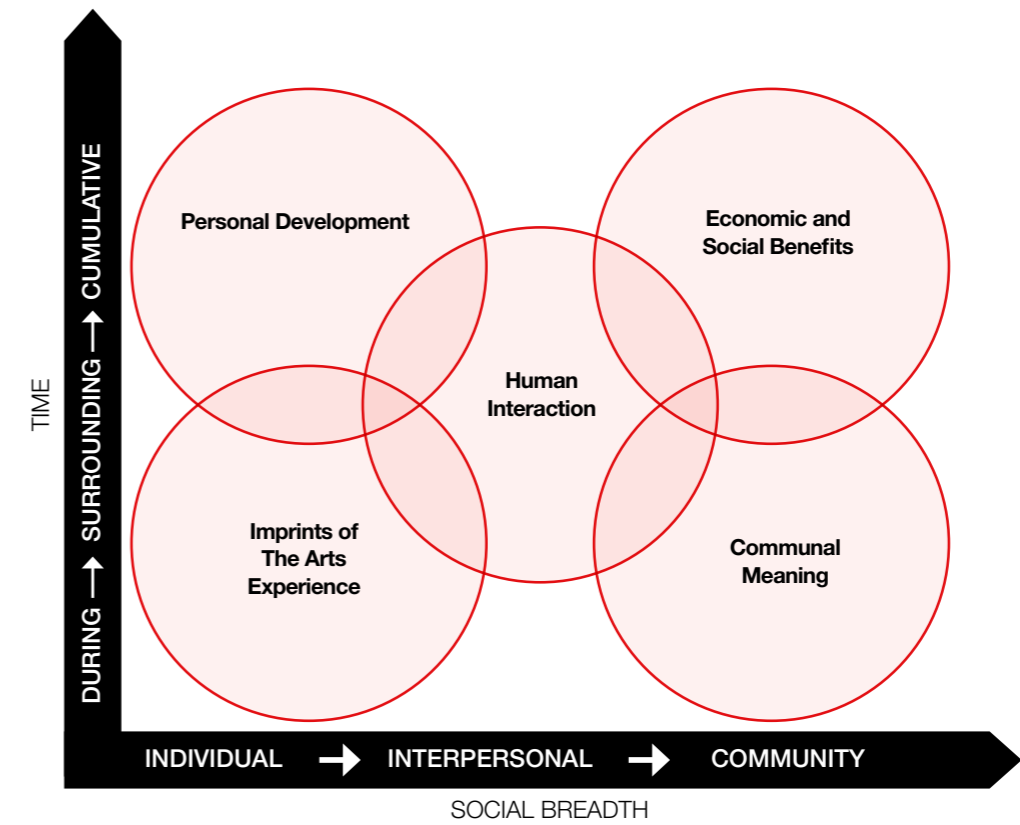
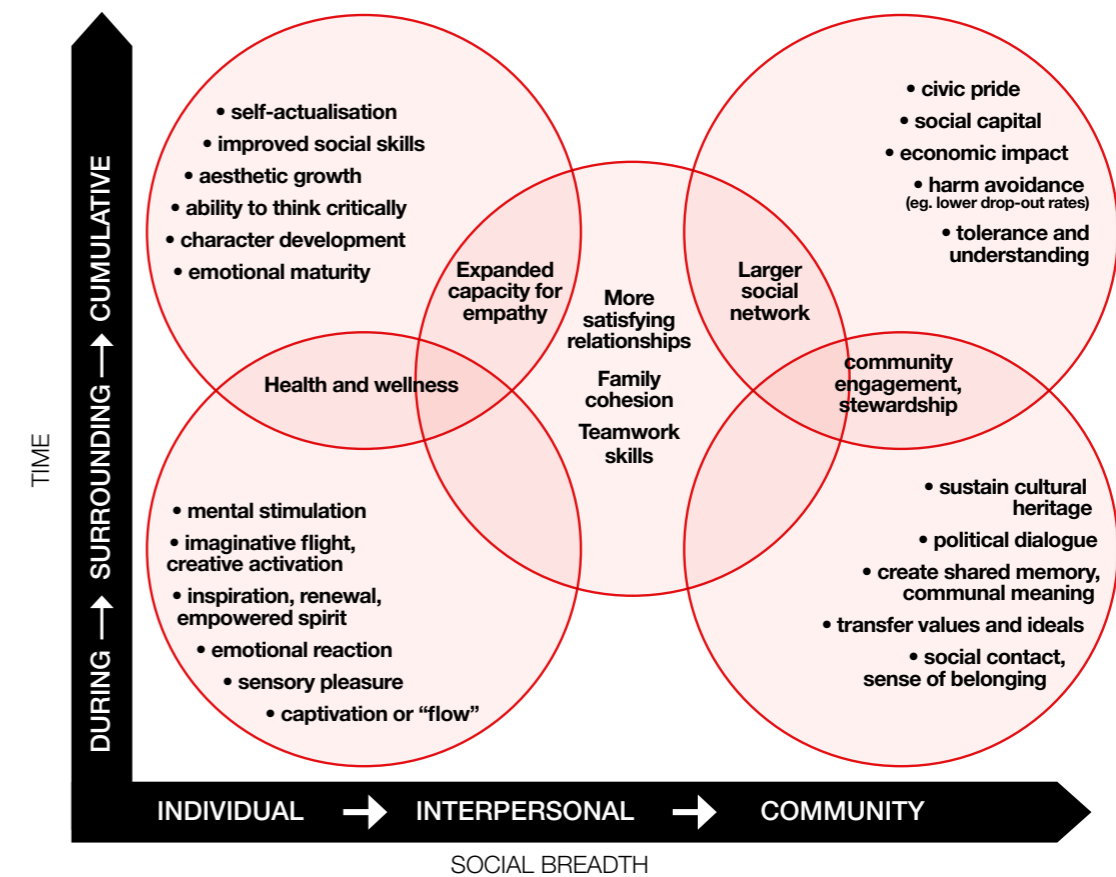


Figure 9c Personal impacts



<sup>13</sup> Brown, A. (2006) An Architecture of Value, Grantmakers in the Arts Newsletter, Winter

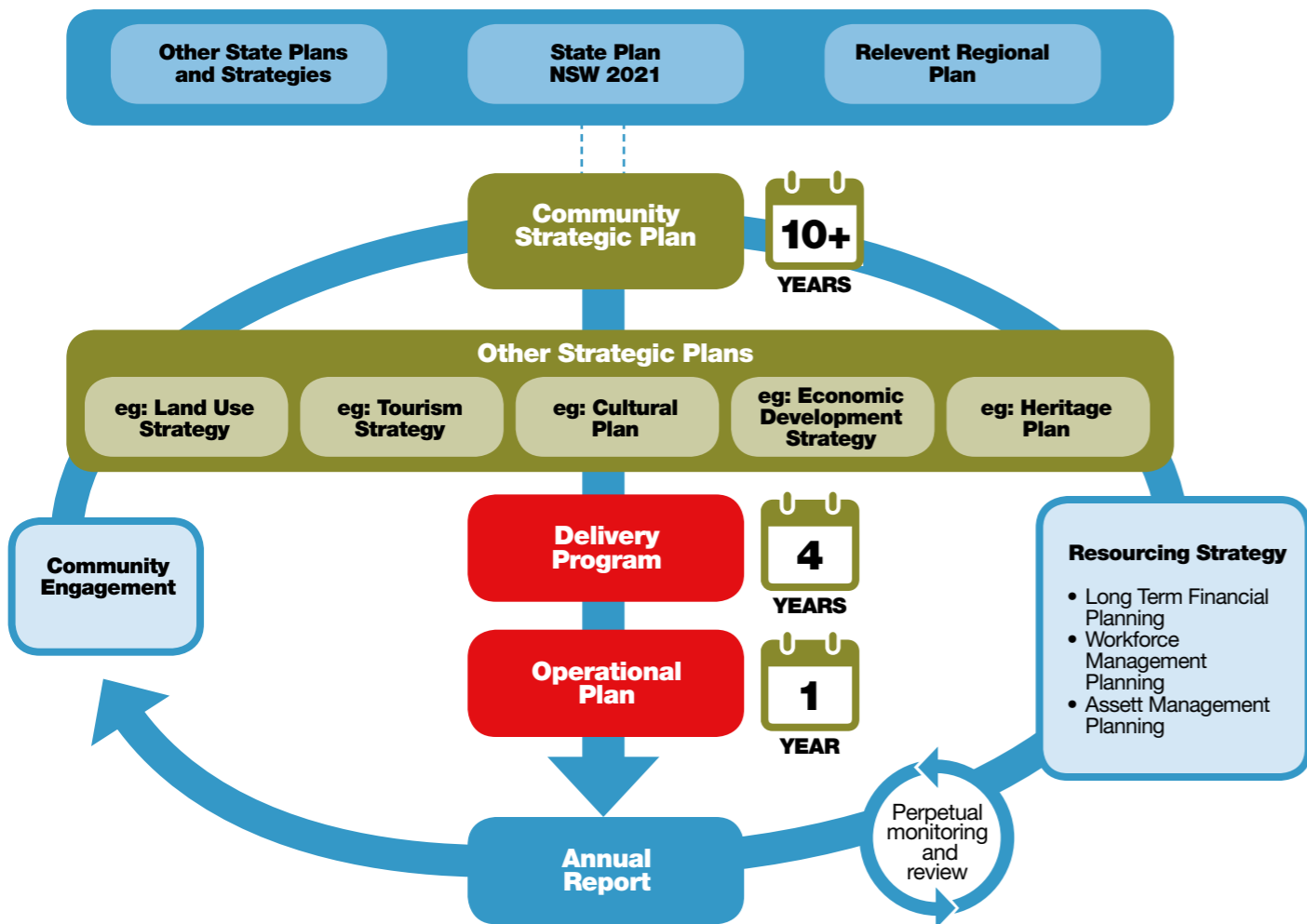
### Integrated Planning and Reporting Framework

All states in Australia now have a legislative framework of integrated strategic planning and reporting for local government. Each State has slightly different configurations and naming conventions for the plans.<sup>14</sup> Three examples are shown in Figure 10.

The framework includes a requirement for a local authority to engage their community in determining how best to resource its asset, risk and service management and performance objectives over the short, medium and long term. This is providing a consistent approach to strategic planning and reporting across Australia, particularly in relation to strategic asset and financial management.<sup>15</sup>

**Figure 10** Sample of Integrated Planning and Reporting Frameworks

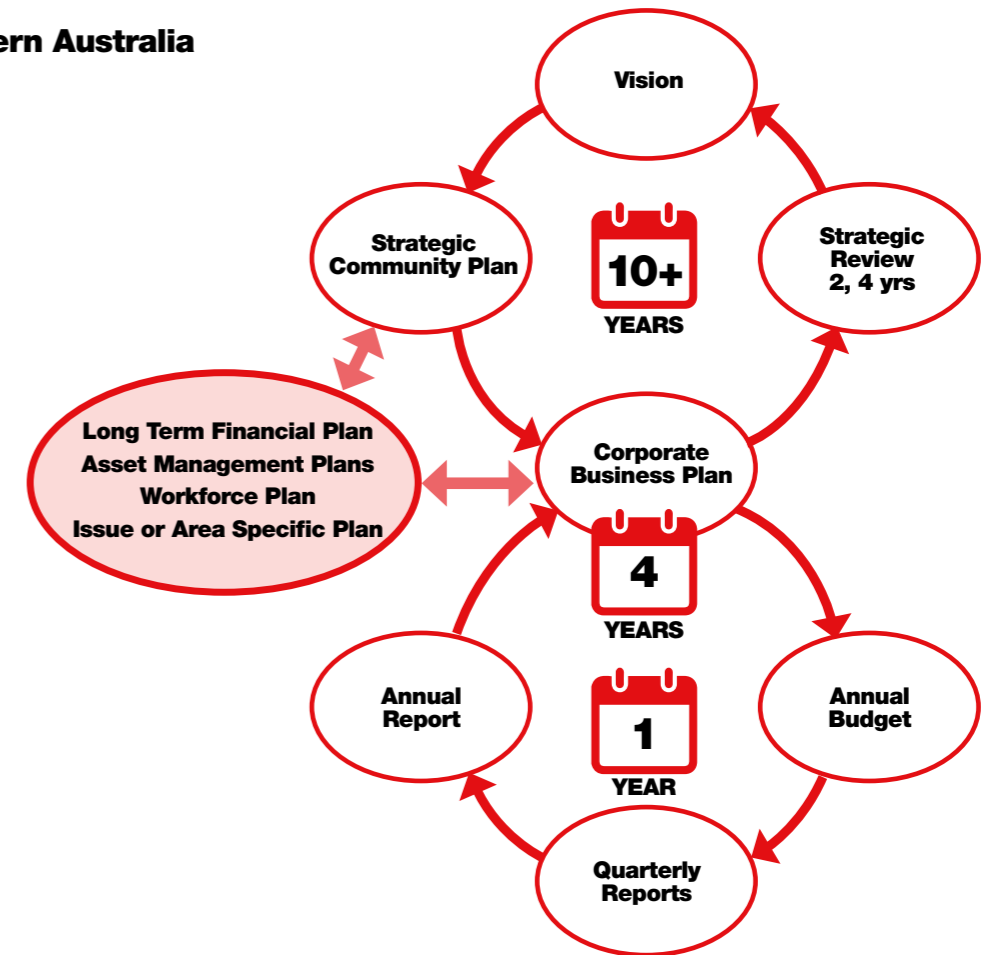
**(a) New South Wales**



<sup>14</sup> Queensland has a five year plan, which combines strategic direction and delivery.

<sup>15</sup> Roorda, J. (2015) National State of the Assets 2015: Roads and Community Infrastructure Report, Australian Local Government Association, p. 16

**(b) Western Australia**



**(c) Victoria**

TIME HORIZON	PLANNING	REPORTING	TIMING
Medium Term	<b>Council plan</b> • Strategic objectives • Strategies • Strategic indicators	Stakeholder and community engagement	Jan - Jun
	<b>Strategic resources plan</b> • Financial statements • Statements of non financial resources		Feb - Jun
Short Term	<b>Budget</b> • Services and initiatives • Service outcome indicators • Major initiatives • Financial statements	<b>Annual report</b> • Report of operations • Financial statements • Performance statement	Mar - Jun
			Jul - Sep



## How the performing arts fits in

### Community visioning

There is an overarching plan at the highest point of the integrated planning and reporting framework in all States. The plan usually includes the community's vision and aspirations, determined through engagement with local people. Local government facilitates the community engagement process, which then provides a guiding light for the overarching plan.

“The visioning and goal-setting process is undertaken with the community, and there is an expectation that the community will have a genuine role in engaging with the strategic issues and options and setting medium and long term-priorities that balance aspirations with affordability.”<sup>16</sup>

The vision, at its best, gets to the heart of the community's identity, values and aspirations. This, in itself, is a cultural activity, and the arts have a role to play in creative methods for tapping into this deeper community level.

### Growing the wellbeing pie – the big picture

The overarching plan is the place to identify the role of the performing arts in growing the economy, increasing social cohesion, and creating distinctive, liveable places. While the goals will be expressed in appropriate local language, the principle is to ensure that overall resource allocation has regard to 'growing the pie', which ultimately generates the community's capacity to survive and thrive, and provide local services at the desired level, which includes the performing arts, but also roads, parks, libraries, recreation centres and so on. Councils have the responsibility of leading this strategy process with and for their communities.

Local governments also face choices about their role and the way they work with others, especially in the broader areas of community and economic development. There is a spectrum from doing things for the community, doing things with the community, and empowering (possibly including funding) the community to do things for itself. Often there will be a combination of approaches deployed.

<sup>16</sup> Department of Local Government and Communities (2016) *Integrated Planning and Reporting: Framework and Guidelines, Government of Western Australia*, p.6, [https://www.dlqc.wa.gov.au/Publications/Documents/DLGC-IPR-Framework\\_and\\_Guidelines.pdf](https://www.dlqc.wa.gov.au/Publications/Documents/DLGC-IPR-Framework_and_Guidelines.pdf) p.44



Cultural Services Cairns | Music event at Tanks Arts Centre



## Strategic Context

As one councillor expressed it in the course of consultation for this project, “why should there be a presumption that the local government will employ another person in the area of cultural development? Maybe that money would be better spent by the community directly.” In this case, the councillor was less concerned about the amount of expenditure and more concerned about maximising the benefits of the expenditure, which he felt would be achieved by projects which were run by the community for the community.

Where the council sits on the spectrum will reflect its views about the relative roles of the local government and community, often based on a combination of philosophical beliefs and opinions on effectiveness, seldom evidence-based.

All this points to the need for a robust decision-making framework, that is able to explore the costs and benefits of alternative directions and approaches at the strategic level, in a budget-constrained world. This is especially challenging given the diversity of local government activity – the framework needs to be applied with a very good understanding of how communities thrive, what the local government can directly achieve, who they can effectively partner with, and who else they need to influence.

Strategic partnership building between local government and the performing arts sector therefore sits at this level, as does evaluation and impact assessment (see Measuring success section).

## Delivery planning for arts and cultural facilities and activities

Specific planning on arts and cultural facilities and activities should be undertaken in order to guide and prioritise specific capital investment and operating decisions, in the context of the vision and priorities set above. This should also identify how the performing arts link with other parts of local government and community, for example, significant community celebrations and events.

It is essential to identify the asset management and workforce implications, to feed into the long-term financial plan. This will support robust medium and long-term decision-making.

## Annual budget

The annual budget is often the time when more resources for the performing arts are requested. We know that in spite of community and, often, council aspirations, these are often knocked back in light of other priorities. By the time the annual budget process rolls around, as a general rule, resourcing in one area can only be expanded at the expense of another area. Everyone is fighting for the crumbs from the table. The performing arts sector can improve its effectiveness in special pleading, but the question of relative priorities, and strategic resource allocation in that context, belongs to strategic planning with its focus on ‘growing the pie’. If the conversation about the role of arts and culture is relegated to the annual budget, the strategic opportunity is generally already lost.

## 3 What does a high performing arts centre look like?

Determining what a successful arts centre looks like is dependent on many factors not the least of which are the objectives of local government. Critically important to this question is the issue of measurement – we will tackle this later in the guide in section 5, however it is important to state that measurement of intangible or subjective outcomes is a fundamental factor in determining success.

## Summary of critical success factors

Table 5 sets out descriptions of critical success factors. The list is not exhaustive, and each local government and facility will ultimately need to define their own critical success factors in reference to their own specific circumstances.

**Table 5** Summary of critical success factors

Critical Success Factor	Description
Governance	<ul style="list-style-type: none"><li>• Develop and approve strategic plan</li><li>• Approve annual budget</li><li>• Recruit, terminate, motivate and compensate direct reports</li><li>• Develop resources</li><li>• Serve as ambassadors</li></ul>

IMAGE: We Will Rock You Pilbeam Theatre, Rockhampton (Photo: John Loch)



**What does a high performing arts centre look like?**

Critical Success Factor	Description
<b>Strategic and business planning and monitoring</b>	<ul style="list-style-type: none"> <li>• Long, medium and short-term planning</li> <li>• Plans show an understanding of, and contribution to community outcomes, such as:               <ul style="list-style-type: none"> <li>- Community identity</li> <li>- Social cohesion</li> <li>- Liveability</li> <li>- Economic development</li> </ul> </li> <li>• Aligns marketing, programming, financial, utilisation and artistic objectives</li> <li>• Informed by evidence (e.g. SWOT analysis, empirical data)</li> <li>• Details the purpose/mission, goals, strategies and actions in a way that is time based and details responsibility for delivery</li> <li>• Includes long term financial plan</li> <li>• Includes an artistic statement or vision and cultural development objectives</li> <li>• Includes an asset management plan</li> <li>• Ability to respond to opportunities</li> <li>• Enables performance monitoring and impact evaluation:               <ul style="list-style-type: none"> <li>- System for collecting data</li> <li>- Impact evaluation framework in place</li> <li>- Results are communicated and used for continuous improvement</li> </ul> </li> </ul>
<b>Attractive, fit for purpose and well looked after facility</b>	<ul style="list-style-type: none"> <li>• Good vibe</li> <li>• Highly functional, well equipped</li> <li>• Accessible</li> <li>• Maintained and renewed</li> </ul>
<b>Diverse funding sources</b>	<ul style="list-style-type: none"> <li>• Audience</li> <li>• Public sector</li> <li>• Private sector</li> <li>• Philanthropists</li> </ul>
<b>Financial management</b>	<ul style="list-style-type: none"> <li>• Financial controls</li> <li>• Transactions (timely payment of creditors etc)</li> <li>• Reserves</li> </ul>
<b>Enough people with the right skills</b>	<ul style="list-style-type: none"> <li>• Staff</li> <li>• Volunteers</li> <li>• Staff wellbeing</li> <li>• Professional development</li> <li>• Skilled management</li> <li>• Retention and succession planning</li> </ul>

**What does a high performing arts centre look like?**

Critical Success Factor	Description
<b>Innovation</b>	<ul style="list-style-type: none"> <li>• Encourages risk and exploration whilst managing exposure</li> <li>• Adopts tools, systems and leadership skills that support innovation</li> </ul>
<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• Invests resources in identifying and enabling partnerships</li> <li>• Collaborative initiatives</li> <li>• Partnerships for cultural leadership</li> </ul>
<b>Appropriate authority</b>	<ul style="list-style-type: none"> <li>• Authority to decide, act and be accountable commensurate with the needs of effective operations and programing</li> </ul>
<b>Program</b>	<ul style="list-style-type: none"> <li>• Program Plan that sets out:           <ul style="list-style-type: none"> <li>- quality/great art</li> <li>- aims of the program over a multi-year period (3 to 5 years)</li> <li>- links to community outcomes, education and cultural development objectives</li> <li>- types of events that will be programmed</li> <li>- balance of local work versus work from elsewhere, and new versus established work</li> <li>- community segments for which the events are chosen, reflecting diversity of community</li> <li>- links to community engagement and audience development, partnerships etc</li> <li>- A balance of commercial hires and entrepreneurial presentations</li> <li>- Connections to the objectives of the Council</li> </ul> </li> <li>• Developed in collaboration with other departments (particularly marketing)</li> <li>• Complements existing community and/or industry programs</li> <li>• Programs delivered beyond the boundaries of the facility</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>• Investment decisions and risk</li> <li>• Integration with enterprise risk process – clear understanding of risk appetite and expectations around risk, which includes:           <ul style="list-style-type: none"> <li>- Financial risk</li> <li>- Artistic risk</li> <li>- Reputational risk</li> </ul> </li> <li>• Empowered to balance ‘business’ and ‘arts’ to ensure financial viability while delivering on relevant community outcomes</li> <li>• Effective management of WHS Risks.</li> <li>• Business operation outside/beyond normal business hours.</li> </ul>

## What does a high performing arts centre look like?

Critical Success Factor	Description
<b>Community engagement</b>	<ul style="list-style-type: none"> <li>Creates value with and for the community</li> <li>Closing the gap between art and audience</li> </ul>
<b>Marketing and audience development</b>	<ul style="list-style-type: none"> <li>Has appropriate connected plans – audience development, marketing, community engagement</li> <li>Well-researched</li> <li>Consistently high standards of promotion for shows in an effective and timely manner</li> </ul>
<b>Connected to the industry</b>	<ul style="list-style-type: none"> <li>Locally, regionally, state national and international</li> <li>Community resource offering services that increase the capacity of the arts and cultural organisations within and around them</li> <li>Connected to other centres – not working in isolation</li> <li>Contributes to sector development</li> </ul>
<b>Good to deal with</b>	<ul style="list-style-type: none"> <li>Customer service</li> <li>Liaison with producer/tour coordinator</li> <li>Reputable engagement with funding bodies, donors, partners etc</li> </ul>
<b>Operating procedures and policies</b>	<ul style="list-style-type: none"> <li>Procurement</li> <li>Competitive neutrality</li> <li>Advance deposits</li> <li>Gifts</li> <li>Travel</li> <li>Policies are in place e.g. workplace policies, reconciliation action plan, disability action plan, etc</li> </ul>

## Governance and management

### Pros and cons of different models

An often-asked question is whether the governance and management models of arts centres play a significant role in the recipe for success in the business of presenting. In other words, is there a right model?

## What does a high performing arts centre look like?

The most common structure for arts centres is operating as part of local government (65%).<sup>17</sup> Alternatively, an arts centre may operate as an independent legal entity with an allocation of funds from local government. Other models include: arts centres owned by local government but outsourced to commercial entities, operated as statutory authorities or other hybrid models.

In a 2014 study undertaken by D. Fishel for PAC Australia (formerly the Australian Performing Arts Centres Association), arts centres operating under the local government model nominated 'having to follow council protocol and processes' as one of the top four weaknesses of their corporate structure. Other weaknesses included an inability to undertake their own branding and marketing and counteracting negative or outdated perceptions of council.

In the same study, independently operated venues found the reliance on internal organisational capacity and the lack of established resources were key weaknesses. The conclusion drawn from the study was that the ideal model was dependent on the type of organisation, its size, its art form, location and other factors.

Table 6 sets out a number of factors reported by arts centre managers (from local government and independently managed centres) across Australia, comparing the pros and cons of a management model that is independent of local government and one that is part of a local government structure.

<sup>17</sup> 2017 APACA Economic Activity Report



Lee Abrahamson at The Devil's Marbles, The Marriage of Figaro tour, Opera Australia (Photo: Alex Budd)



**Table 6** Pros and cons of different management models

Independent legal entity – PROS	Independent legal entity – CONS	Local Government run – PROS	Local Government run – CONS
PURPOSE			
The purpose of the arts centre is very clear to the board and the organisation, rather than being in a council department where the value of the business unit to the community is not well understood.	Board or committee may decide on strategies that are not aligned with desires of local community.	Arts centre activity is legitimised through council processes.  Regular reviews may help ensure relevance to community.	Professional performing arts programming may be considered a discretionary (non-essential) service.
PROGRAMMING			
More adventurous work can be presented without having to be defended by council if there are complaints from residents	May not have same level of access to partnership opportunities as other council departments, e.g. programming for Youth Week, NAIDOC Week.  Board or committee may hinder creative direction.	Ability to partner with other areas of local government and access their resources to deliver community benefit and programs, e.g. community development, youth, economic development, health, ageing services.	Committee approval may be required on expenditure and programming.  Direction of activities may be subject to councillor pressure.  Creative direction may be limited or challenged.

MARKETING			
Limited ability to establish a brand distinct from council in some instances. Communications and social media not limited by council policies or restrictions	Limited access to broader reach of council communications and networks.	Potential links and ability to influence other tiers of government.  Increased potential to generate community support facilitated through elected members.  If separate brand can be achieved, then in better position because of access to resources and networks.	Marketing and social media restrictions in some instances.  Limitations on what can be promoted and sponsorship relationships (governance concerns).  Having to work within council policies. If unable to develop separate brand presence, marketing is extremely limited <b>CRITICAL FACTOR</b>
COMMUNICATIONS			
Freedom to craft communications content and timeline. Not restricted by council elections (caretaker mode), no political filtering of media messages.	Inability to promote widely to community and may have limited local government support and advocacy.	Easier access to ratepayer databases for promotion.	Slow communication processes, not responsive in some instances.  Issues with spokespeople: who can speak on behalf of the council?
RISK MITIGATION			
Relies on and uses its own insurance policy in case of damages claims.	Has its own risk responsibilities and insurance policy in case of damages claims.  Limited resources stretch organisations ability to properly manage risk issues.	Access to council safety and risk staff and expertise.  Ability to take action on safety issues (funded by the council).	May face restrictions due to council-wide policies e.g. PLI may be more restrictive than you would want.

**What does a high performing arts centre look like?**

GOVERNANCE			
Free advice can be obtained through experienced board members.	Risk of special interest groups having too much influence; risk of inappropriate choices in board membership.	Internal resources and services, e.g. training, professional development, maintenance, regulatory services.	Can be slow decision-making process, outside of control of the art centre management.
Able to achieve tax deductible donations from the public if DGR status in place.	Reliant on own core team; limited ability to bring in expert advice other than through board.	Business Continuity Plans may be in place.	
Ability to make fast decisions.	Demands of servicing and managing a board can be taxing.		
Councillor representation on an independent Board may facilitate direct communication to council (not via Director) which may enable better support	Unskilled Board may have a negative influence.		
FUNDING / FINANCIAL MANAGEMENT			
Access to financial resources (funding, sponsorship, foundations) that may not be available to local government.	Increased risk of financial instability.	Financial security.	A change of council elected members can change the investment relationship with an arts centre.
Any surplus at the end of the year is re-invested into the arts centre rather than being absorbed into council.	Administrative costs and skilled resources are required to be self-sufficient in terms of finances, HR, IT, vehicles, and other support services.	Cross departmental support is available for financial management, insurance, WHS, IT, HR.	Public purse – more rigorous compliance and reporting, also competitive neutrality issues to consider.
Potentially lower employment costs outside of local government awards.		Financial capacity to fund emergency works at facilities if required.	Procurement restrictions on entertainment, equipment, suppliers and services.
		Potentially easier to plan for and allocate funds to capital renewal via council Long-term Financial Plans.	Lack of flexibility to negotiate away from set fees and charges.

**What does a high performing arts centre look like?**

OPERATIONS			
More flexibility to provide incentives and support to patrons, hirers and artists.	The process to seek council financial support for equipment upgrade or maintenance requires rigour and strong business cases to be competitive with council departments also seeking funds.	Local government acts provide a highly structured and accountable operating environment with defined policies and accountabilities.	Increased complexity in recruiting within council HR policies, consultation committees, compliance with Local Government Act.
Flexibility in employment conditions may be more aligned with industry practice supporting increased effectiveness.		Resource options for additional relief or skilled staff as required.	
		Operational funding defined and committed through budget processes.	
WORK ENVIRONMENT			
Generally, a more personal and cohesive team environment than a larger organisation.	Stresses due to limited resources.	Generally better pay, better employment conditions.	Working in the broader council environment can pull the venue into areas of consultation and process that may be avoided or streamlined in smaller organisations.
Staff not required to be employed under local government award.		More career opportunities within a larger organisation.	
		Access to learning and development opportunities via council.	

In summary, an independent model has benefits that relate to programming, brand, marketing and communications and autonomy, while a model within a local government structure, supported by good relationships, may have benefits in regard to sustainability as well as financial and operational factors.



## Strategic planning, business planning, and monitoring

Performing arts centres are complex businesses with numerous inputs, multifaceted operations and highly variable tangible and intangible outputs and outcomes. Further, arts centres receiving public funding are required to have a high level of accountability.

Effective management under these circumstances requires a well-thought-out strategic plan.

A strategic plan allows disparate voices to develop a common framework and roadmap, it provides staff with a clear set of priorities and assignments and it ensures that nothing is wasted.<sup>18</sup>

Designing a centre’s plan that incorporates relevant elements of the local government strategic, corporate or community development plan is a strategy that can help to align objectives, plan and use resources effectively and, most importantly, significantly assist the centre and local government to achieve their desired outcomes.

The funding and services agreement between Wollongong City Council (WCC) and the Illawarra Performing Arts Centre (trading as Merrigong Theatre Company (MTC)) outlines the strategic outcomes sought by the Council in line with the Council’s ‘Community Strategic Plan Wollongong 2022’.

Merrigong Theatre Company Goals include:

1. Make exceptional theatre, and develop exceptional artists.
2. Deepen and broaden our engagement with our local community - championing, embracing and better reflecting its diversity.
3. Facilitate and deliver a diverse range of events that are relevant and impactful.
4. Strengthen our company’s resilience and capacity, safeguarding our future through building our financial, human and infrastructure resources.
5. Develop a strong, well-articulated identity, building our profile, clarifying our brand, and refining our communications.
6. Pioneer new ideas that challenge our industry’s prevailing models, redefining the relationship with our audience, and shaping the way things are done in the future.

Table 7 shows the alignment between the strategies of the WCC Community Strategic Plan Wollongong 2022 and the goals of MTC listed above.

<sup>18</sup> Kaiser, M. and Egan, B. (2013) *The Cycle; a practical approach to managing arts organisations*, Brandeis University Press

**Table 7** Linking plans example – community strategic plan

<b>WCC Community Strategic Plan Wollongong 2022</b>	<b>Merrigong Theatre Company Goals - Alignment</b>
<b>Community/Goal Outcome 1: To have an innovative and sustainable economy</b>	Goal 4: Strengthen our company’s resilience and capacity, safeguarding our future through building our financial, human and infrastructure resources.
<b>Community/Goal Outcome 2: Create a creative and vibrant city</b>	Goal 1: Make exceptional theatre, and develop exceptional artists.
<b>Community/Goal Outcome 3: To have a connected and engaged community</b>	Goal 2: Deepen and broaden our engagement with our local community - championing, embracing and better reflecting its diversity.
<b>Community/Goal Outcome 4: To have a healthy community in a liveable city.</b>	Goal 3: Facilitate and deliver a diverse range of events that are relevant and impactful.

This example demonstrates the mutually beneficial relationship between the arts centre and local government.

An effective arts centre strategic plan will also align marketing, programming, financial and artistic objectives. Collectively, they provide a value proposition for local government that makes social and economic sense of support for cultural activity. Strategic planning for arts centre facilities and activities should adopt a structured process applicable in any discipline. The plan should:

- be informed by evidence-based research (e.g. SWOT analysis, empirical data)
- detail the organisation or business unit’s purpose, mission, goals, strategies and actions in a way that is time based and details responsibility for delivery
- include performance measures and financial projections

In addition, including an artistic statement or vision can be an effective way to highlight the connection between the creative ambitions (e.g. programming goals) of the organisation and the broader strategic plan and priorities of other stakeholders.

## What does a high performing arts centre look like?

In contrast to long-term strategic planning, a regular outcome of short-term planning is the downward spiral. Ad-hoc planning and projects sit in isolation, often unconnected from relevant community context and typically occur with insufficient time to prepare, seek resources, promote and execute the project to its full potential. This often results in poor attendance, which builds negative perceptions that arts projects aren't popular and don't achieve their goals. This leads to less investment, reduces capacity to deliver strong projects and increases the likelihood of unsuccessful outcomes. Very quickly, attitudes about the value of investment in arts projects can become negative and unsupportive.

Strong lead-time, effecting planning that is integrated into broader goals, connecting to or complementing other activity, and building on what has gone before is more likely to achieve success. Even small wins build enthusiasm and pride, motivate future success and attract more investment, support, participation and engagement. In essence, success breeds success.

Long-term strategic planning with the right budget provides opportunities to develop a relevant program and get into touring and source state and federal funds.

### TAKE AWAY:

- An arts centre requires a strategic plan just like any other business.
- Integration and alignment of the arts centre plan with local government plans is a key to achieving successful outcomes.
- Forward planning is essential. A three to five year plan is ideal.
- The plan should be informed by evidence and research.
- The arts centre strategic plan should create a unique identity for the centre.
- Include an artistic statement or vision: it's a good way to connect creative and business imperatives.

## What does a high performing arts centre look like?

### Attractive, fit for purpose and well looked after facility

In addition to an effective long-term strategic plan, success is directly tied to a high functioning, well equipped facility.

Touring companies have in the past decided not to engage with some centres based on a lack of appropriate facilities and service.

Similarly, audiences must find the space attractive, convenient and engaging. Indeed, an holistic approach to the audience experience is central to a centre's success. From their first interaction with the centre (seeing a performance advertised), to their parking, bar, ticketing, seating and post-performance follow up – it is important to provide a 'good vibe' for patrons.

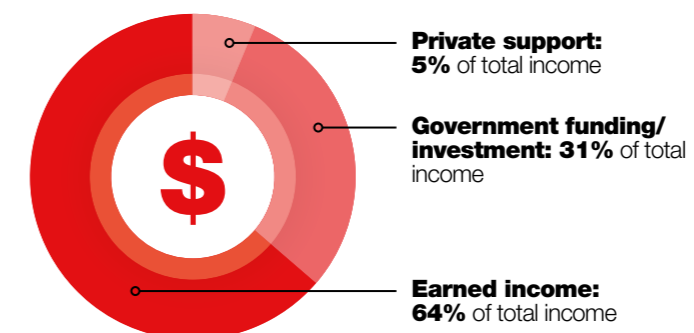
Accessibility is also an essential consideration of a high-functioning centre. This may include physical access or accessibility programs such as audio description, AUSLAN interpretation and captioning services, universal access symbols or other initiatives.

### Diverse funding sources

Arts centres on average draw only 5% of their total income from private support (Figure 11).

Policies, legalities and funding guidelines often preclude local government authorities from applying for or receiving private support. Of the total private support received, arts centres owned and managed by local governments attract 13%, whilst arts centres managed independently attract 87% of total private funding.

**Figure 11** Average sources of total income for Australian Arts Centres





## What does a high performing arts centre look like?

### Financial management

Ideally, financial reserves will be specifically allocated to the centre, not absorbed into consolidated revenue. Reserves provide security for the sustainability of the centre, enable risk taking and may be drawn upon when a unique opportunity arises that exceeds operational budgets.

Note: non-performance insurance is available but is rarely used in the subsidised sector when the cost to benefit is evaluated.

Local governments should take into account the financially fragile nature of some arts organisations or sector service providers (e.g. independent artists) when determining the timeliness of payments.

Performing arts touring and presenting will often require forward deposits up to 24 months in advance. This is common practice and should be accommodated in local government financial management and forecasting.

Effective arts centre financial planning will ensure that appropriate cost controls are in place. The nature of the industry, particularly when producing new performances or projects, should always factor in a contingency commensurate with the unknown factors of the project.

Consistent with any other sector, financial management in the arts should be professional and highly accountable.

### Enough people with the right skills



Former CEO of the Arts Centre Melbourne and Australian cultural leader Sue Natrass points out that the complexity in management of the performing arts has gone a long way beyond the "let's put on a show" mentality.<sup>20</sup>

<sup>19</sup> Natrass AO, S. (2007), *The changing role of the arts manager: 'Baby Boomer To Gen Y', Kenneth Myer Lecture, Ed. Ruth Rentschler, Deakin University*

<sup>20</sup> *ibid*

## What does a high performing arts centre look like?

Core functions of any presenting organisations, regardless of scale, will be concerned with finance, human resources, contract management, procurement, marketing, production, operations, relationship management and programming, as a minimum. Depending upon the governance model (part of, or not part of, local government), these roles may be part of the core functions of council.

Corporate services, such as finance and procurement, and human resources may not sit within the organisational structure of the performing arts centre management. Even so, it is essential that the centre manager has the authority to manage key functions that directly impact on the effective operation of the centre. For example, a centre manager wishing to program a particular act cannot be expected to provide three quotes, as was recently reported by a regional centre under local government management.

Financial and reputational risk are inherent in performing arts centre operations (more details in Risk management below). Mitigating risk in the performing arts is a function of the trust, knowledge and experience of the individuals concerned. Recruiting and retaining the right people is essential in this regard and is expanded upon below.

**Figure 12** importance of staff in number of shows

**62%** of Western Australian presenters indicated the number and expertise of their staff - (in general) was a significant consideration in the number of shows they presented.

### How many?

Naturally, the number of staff required in any performing arts centre is dependent upon a number of factors, particularly the scale of operations and the management model adopted (part of, or not part of local government).

Whilst it is problematic to predict staff numbers, a typical arts centre will require services in at least the following areas:

- General management
- Box office, front of house
- Technical production, back of house
- Marketing and communications – particularly social media and online platforms
- Finance
- Food and beverage services

### What does a high performing arts centre look like?

Subject to the scale of operations, additional roles may include:

- Development and fundraising
- Public programs manager
- Operations
- Administration support
- Human resource management

In the discussion of the range of skills below, it is clear that specialist skills are required and are likely to demand specialist knowledge. For example, the marketing skills required to successfully promote a performance will be significantly different to those required to notify residents of a local road closure.

### The right skills

An arts centre manager is regularly considered a taste-maker and even, in some circumstances, a cultural gate-keeper in the community. They are cultural leaders making decisions that impact on the community's identity and wellbeing.

"A successful arts centre leader is a curator, bringing together multiple voices and making cohesive sense of a diversity of elements," says Gavin Barlow in an article for Arts Professional.<sup>21</sup>

These people need to be connected to the local community, the professional performing arts sector (locally and nationally), good listeners and able to develop strategies that respond to community needs and aspirations.

"How centres work with local or international communities and artists to affect their changing worlds is a central pre-occupation [of arts centre managers]," blogs Mark Robinson.<sup>22</sup>

Evidence shows that on average 75% of arts centre managers consistently work in excess of 40 hours per week; 10% of arts managers report that on average they work in excess of 50 hours per week.

Centres often have less than the appropriate number of staff required to fulfil their obligations and staff often wear multiple hats. For example, 22% of arts centre managers will also have a responsibility for an art gallery or visual arts program. This means that in addition to professional skills, the attributes often required by arts centre staff include stamina, flexibility and emotional resilience.

The creative input and knowledge required of art centre managers, combined with the above factors, means that the total skill set required is both left and right brain oriented, creating a unique recruitment challenge.

Accordingly, the appointment of asset management staff to arts centre management is often not appropriate, despite it being a common practice.

<sup>21</sup> Barlow, G. and Connor, C. (2014) *No longer the poor cousin*, Arts Professional, <https://www.artsprofessional.co.uk/magazine/274/article/no-longer-poor-cousin>

<sup>22</sup> Future Arts Centres (2018) *Future Arts Centres: Working Inside, Outside and Beyond*, blog, <http://futureartscentres.org.uk/blog/future-arts-centres-working-inside-outside-and-beyond>

### What does a high performing arts centre look like?

Another vital role in the performing arts centre is the Technical Manager. These managers oversee the risk management and the WHS for the centres. Administration roles are often interchangeable with limited staff, however the technical manager has a unique set of skills that are required to ensure the show can go on.

Whilst the local talent pool might be limited and the ability to attract professionals to particular places is sometimes difficult, appropriate recruitment is critical to achieving successful arts centre outcomes. A set of recruitment guidelines are included in Appendix 2.

Continuity is also a critical issue, particularly in regional centres. The transient nature of many regional communities, combined with the unique skill set and the demands of the role, makes it a challenge to secure staff with ability to commit beyond the short-term – a shame, as long-term planning is essential to success in arts centre management.

### Wellbeing

Mental health and wellbeing have gathered momentum as concerns for arts industry staff.

Typically, the performing arts industry places high demands on arts centre staff. The nature of the industry and individuals' personal and emotional investment in success often create an unrealistic will to achieve. In local government there is sometimes a misunderstanding of the depth and scope of the tasks involved in the roles of arts centre staff. Small teams, often self-directed, can feel the absence of recognition and praise. And working in a unique sector in a regional setting can induce a sense of professional and social isolation.

Ensuring personal, professional, face-to-face and online connections with colleagues and professional networks can assist in mitigating issues of isolation. Failure to address these issues can have dire social and economic consequences.

Primary research conducted by Victoria University was commissioned by Entertainment Assist and explored in the report, *Pride, Passion & Pitfalls: Working in the Australian entertainment industry* (2014). The report identifies key factors contributing to impacts on wellbeing and highlights strategies to mitigate these factors.

### The key factors contributing to stress, anxiety and burnout specific to the arts industry<sup>23</sup>

- Work and sleep patterns: working unpredictable and excessively long hours, lack of sleep, disrupted sleep; patterns of work that induce irregular sleep patterns.
- Mental health diagnoses in the industry are 10 times higher than the general population and levels of depression symptoms are five times higher.

<sup>23</sup> van den Eynde, J., Fisher, A. and Sonn, C. (2014) *Pride, Passion & Pitfalls: Working in the Entertainment Industry*, Victoria University



### What does a high performing arts centre look like?

- Performing and creative groups tend to be closed to the outside world and often use the language of 'us versus civilians' to position their distinctiveness.
- Lack of knowledge about where to source help and how to talk about mental health to their colleagues and peers. The critical barriers to seeking support include:
  - Lack of (personal) resources such as time, money and good support
  - Lack of trust, unsupportive environment, disjointed lifestyle, lack of respect for the industry from outside
  - A perception that seeking support may compromise future employment opportunities

### Key things management can do

- Promote ways that workers can access clinical and professional treatment.
- Strengthen social support structures, which can provide a sense of belonging, competence and mental health.
- Develop strategies to address specific stressors, for particular groups who share common experiences – not a one-size-fits-all approach (Peirce & Frone, 1996).
- The key to strengthening this support lies in the passion, pride and commitment the workers in the industry express for their creative work.
- Mental Health First Aid Training, Arts Wellbeing Collective (which should be considered as important as any other first aid or OHS training requirement).

Arts Centre Melbourne through their Arts Wellbeing Collective have launched the Support Act Wellbeing Helpline (1800 959 900). It is available to anyone who works in the Australian performing arts industry, and can be shared with all staff of performing arts centres.

The Australian Alliance for Wellness in Entertainment is researching the resources available to support wellbeing. This will form part of the Prevention First Framework for Mental Health for the industry. It is worth noting as a future resource to seek out.

### Volunteering

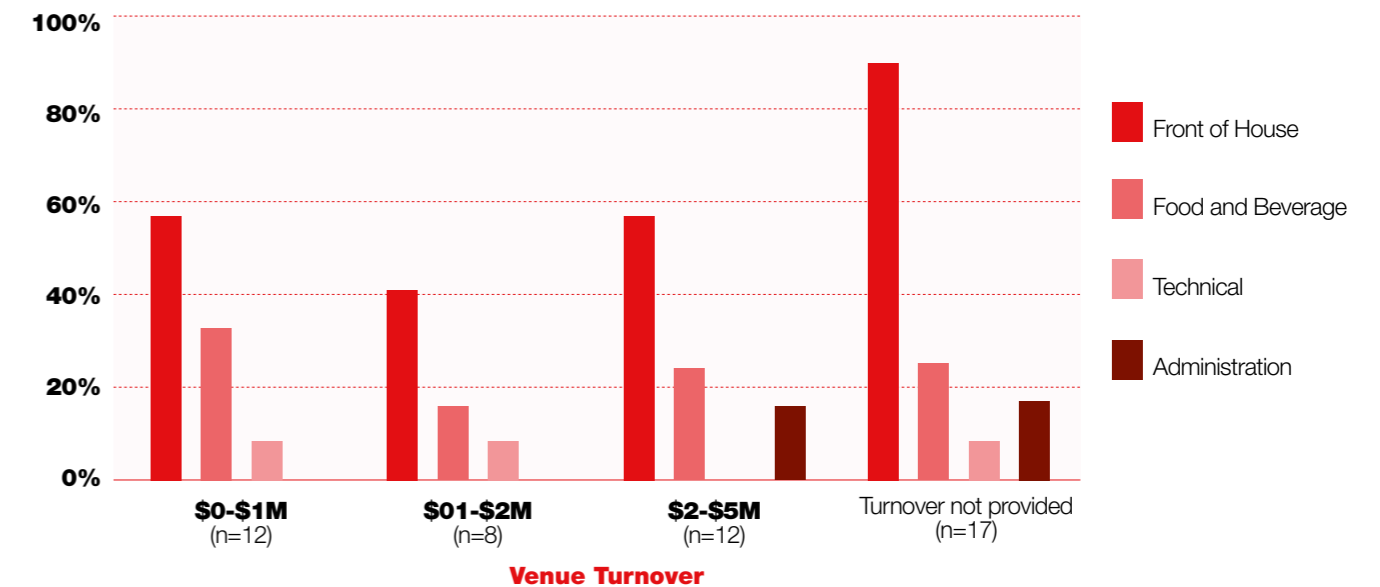
Volunteering in the performing arts industry has high value. It has the potential to reduce costs and expand the capacity of arts centres.

Volunteers take on a variety of roles at arts centres across Australia (Figure 13). Assisting with front of house duties is the primary volunteer activity, irrespective of centre turnover. Volunteers also fill roles in food and beverage services, technical production and administration.

In small organisations, it is important to balance the value volunteers can provide in comparison to the time and energy required to manage their efforts.

### What does a high performing arts centre look like?

**Figure 13 Use of volunteers by venues, by venue turnover**



### Innovation

Innovation in the performing arts may relate to technology (e.g. technical production and systems innovation), creativity (e.g. inventing and exploring new art forms and styles), programming (e.g. leading audiences, developing aesthetic growth, presenting contemporary issues and challenging norms), thought leadership (e.g. in management and planning) and functional systems (e.g. venue management software, customer relationship management and ticketing systems).

Innovation is a determining factor of fourth generation arts centres. As an industry, the performing arts is constantly developing. Indeed, the arts ecology has shifted significantly in Australia in even the last five years. As with any successful business practice, the notion of continuous learning and innovation is critical to keep ahead of (or even keep up with) the curve.

“Ultimately, it is something unique that differentiates the organisation.”<sup>24</sup>  
Michael Kaiser

Attractor, Dancemorph (Photo Gregory Lorenzutti)

<sup>24</sup> Kaiser, M. and Egan, B. (2013), op. cit.

## What does a high performing arts centre look like?

### Partnerships

Arts centres seeking additional capacity and connections within and beyond the sector often rely on partnerships. This may be motivated by a need for:

- Skills, knowledge and expertise
- Shared responsibility and risk minimisation – co-presenting work with other centres
- Additional financial resources
- Profile building – a partnership with a reputable organisation can build profile by association
- Innovation – bringing new ideas and thinking into an organisation
- Networks – building connections to service providers, investment partners, colleagues and cultural and creative inputs

Regardless of the need, partnership can build capacity and capability. It can be a successful tool to address isolation and a silo mentality. Investing resources in identifying and enabling partnerships and collaboration is an effective and desirable strategy for arts centres.

Partnerships through the development of skills to support other areas of local government, for example, events, library, art gallery and museum.

It is important to recognise the value of partnering to cultural leadership. Arts centres can benefit by developing relationships where they release their cultural grip. An inclusive (or at least non-exclusive) approach to determining cultural priorities, addressing challenges and sharing successes between the centre and local government (and others) can encourage shared responsibility and ownership with mutually beneficial outcomes. Inviting partnerships for cultural leadership reduces exclusivity and the notion that art is something that only happens ‘over there’ with ‘those people’.

### Appropriate authority

The management structure and relationship between local government and arts centres can be a critical factor in achieving success.

Commonly an arts centre manager under local government employment is not positioned at an executive level. Often their position is related to facilities management or coordination. In contrast, the position is likely to have a key decision-making role, determining the program of performances presented to the community. They will ideally be highly skilled to make subjective, curatorial decisions; indeed, the decision to present a particular performance may be guided by instinct, based on the context of the community, what has happened in the past and future desired outcomes. The nature of processes in the performing arts industry and an opening night deadline mean

## What does a high performing arts centre look like?

that decisions often have to be made in short, inflexible time frames. People fulfilling a programming role must be trusted and empowered to act with an appropriate financial delegation.

In summary, it is essential that senior arts centre staff are enabled with an authority to decide, act and be accountable, commensurate with the needs of effective operations and programming.

### Program

Program planning, audience development, community engagement and marketing and communications are highly inter-related.

The integration of these functions is central to successful outcomes for arts centres and presenting organisations.

Note: audience development and engagement, community engagement, access and activation are terms that are often confused or conflated. The table in Appendix 3 assists with defining the differences.

**Figure 14** Share with written programming plan or policy

**53%** of arts centres across Australia have a written programming plan or policy.<sup>25</sup>

**Figure 15** Share with written audience development plan or strategy

**47%** of arts centres across Australia have a written audience development plan or strategy.<sup>26</sup>

<sup>25</sup> 2017 APACA Venue Charges and Salaries Report  
<sup>26</sup> Ibid



## What does a high performing arts centre look like?

### Programming



Great art is the backbone of any successful arts centre and effective programming is the means by which that is achieved.

Programming is the selection of performances and programs that meet the wants and needs of the community in relation to several other considerations. Programming must take into account multiple factors:

- Partners and stakeholders – do we need to meet funding or sponsor requirements?
- What's 'hot!' – the zeitgeist of the industry
- Community and audiences – desires and issues
- Branding – the positioning or identity sought by the centre and local government
- Viability and risk – the cost and revenue potential
- Availability – can we get the shows we want?
- Balance and diversity – is there something for everyone?

Key steps in the process are outlined in various resources. CircuitWest's Program Planning Guide and Workbook is an excellent resource and the DeVos institute has a structured, free, online course that will strongly inform programming skills.

Programming developed in isolation and delivered to the rest of the organisation is a common, poor practice. Programming should involve input from several areas of the organisation; marketing is one of the most important areas to consult.

The best programming decisions are made within a framework that sets out the aims of the program, usually over three to five years, and outlines the types of events that will be programmed, the community segments for which those events are chosen and, in a local government context, should ideally align with long-term community development goals in order to achieve the required impacts. This framework is known as a **Program Plan**. Ad hoc programming and programming based purely on what's available will not help you to develop loyal patrons.

<sup>27</sup> Kaiser, M. and Egan, B. (2013), *op. cit.*

## What does a high performing arts centre look like?

When making programming decisions, it is important to distinguish between what an audience wants and what an audience needs. It may seem presumptuous to decide what an audience needs but the expertise of a programmer should be recognised in the same way as the expertise of any other professional.

Determining and delivering on the needs of a community is a key role of publicly funded arts organisations. As arts and culture need to be interwoven into the local government integrated planning and reporting process, so too the long-term community and cultural development impacts sought by local government need to be considered in the program plan.

But does local government better serve the community by giving them what they want or by determining what the community needs? Whilst a democratic (popular vote) approach to programming is equitable, it is rarely desirable in achieving broader, long-term social and cultural goals. A balanced approach is appropriate and this should be reflected in the programming mix.

The value of performing arts in comparison to entertainment should be considered in this context. The difference between art and entertainment can be described as the difference between leaning in and sitting back: an engaging performance with artistic integrity will be transformational and have audiences leaning in; equally valid in the programming mix, a performance that gives us the opportunity to escape or switch off will see audiences sitting back.

In addition to the curated and entrepreneurial annual seasons of the performing arts programs, the centres are balancing commercial hires of spaces, gazetted community dates, and non performing arts hires (e.g. meetings).

Basing programming decisions solely on how audiences have reacted in the past is a limiting approach. Kaiser suggests too many organisations have grown complacent with what works and simply program last year's recipe year after year. This kind of programming inertia fails to recognise that loyal audiences were most likely attracted originally by something unique.<sup>28</sup>

A sample program policy and program plan are provided in Appendix 4.

### TAKE AWAY:

- **Effective programming requires working with marketing staff.**
- **Programming is a complex process that needs to consider multiple factors.**
- **Building audiences doesn't happen overnight.**
- **Programming only what people want fails to recognise social and cultural development responsibilities and is a sure-fire way to limit audiences.**
- **A balanced approach to programming that provides art and entertainment is desirable.**
- **Great art is the backbone of a great arts centre.**

<sup>28</sup> Kaiser, M. and Egan, B. (2013), *op. cit.*

## Risk management

Risk is an inherent component of performing arts and applies to all its stakeholders – local government, the arts facility, the producer and artists and the potential audience. It is highly subjective and may take a variety of forms.

For audiences, risk may be behavioural, time based, financial or creative. For some people, the very act of going to the theatre may be considered a risk; for others, risk may be associated with the time they have available or with monetary constraints (the ticket cost, babysitting, parking, dinner); for others, risk may involve the particular nature of the show performed, potentially challenging, confronting, unengaging.

In this section we focus on the particular risks that local government might consider.

### Risk and investment decisions

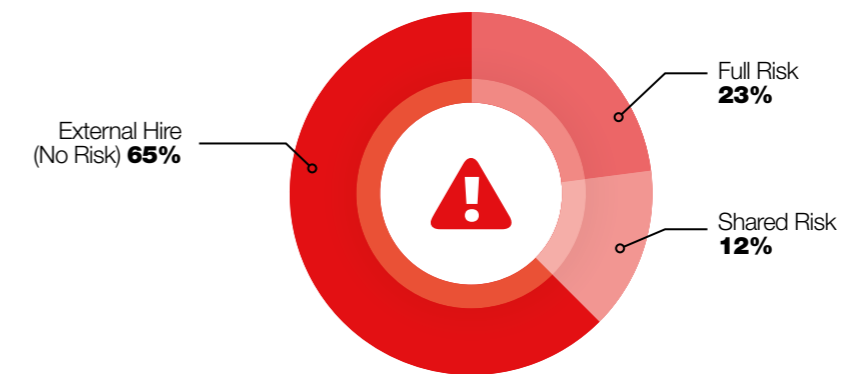
Risk management for the performing arts in local government has strategic and operational levels. At a strategic level, a local government will weigh up the costs, benefits and risks. Risks are primarily financial (the potential for lower than forecast box office revenue), artistic (a poorly executed show which affects future results), and reputational (for example, being elitist or out of touch with the community).

There may be conflicts in managing these risks. For example, a more courageous program may be an artistic triumph but a financial failure.

Decision-making is complicated by difficulties in quantifying outcomes. This is not simply a case of income and expenses and financial bottom line. Cost is a function of value. Creative risk taking is often an essential component of nurturing cultural development and achieving broader social impacts. For example, presenting a work that addresses social issues may not have strong financial success but may inform and empower people in a way that has a great impact on building tolerance and understanding or community pride. Investment and risk are intricately connected in the performing arts industry.

The current trend is a reduction in entrepreneurial programming: the reported share of entrepreneurial seasons presented by respondent venues decreased between 2015 and 2017. This possibly reflects an increase in risk aversion by local government, influenced perhaps by increasing budget pressures or difficulty in assessing the offsetting benefits.

**Figure 16** Share of performances involving financial risk for venue



Best practice suggests that smart arts organisations budget for failure; they recognise that they will not make every target every time and create a contingency fund in their budgets to accommodate those productions that do not meet projections.<sup>29</sup>

Productivity in the arts is difficult to increase. In the words of Michael Kaiser, a quartet will always be played by four people, it will have the same number of bars.

An arts centre's box office potential is also relatively fixed, based on the number of seats. However, utilisation rates are often below the optimal level, so there is the opportunity to increase productivity by meeting latent demand. The cost of maintaining or operating an arts centre is not directly proportional to the level of activity in it. To put it another way, fixed or direct costs combined with depreciation mean that the cost of maintaining and running a facility remains whether it is being used or not.

A more effective arts centre is therefore one that is consistently active. In this way, the return on investment is greater; the cost per use decreases as utilisation increases. As utilisation increases, so too do the wider economic and social impacts, which generate cumulative public value.

### Integrating with enterprise risk process

“ If you always do what you always did, you always get what you always got. ”

Anonymous

Each local government has responsibility for managing strategic and operational risk. The local government should include its arts facilities in the enterprise risk process. This takes an integrated approach across all activities, from the highest level (delivery of the strategic plan) to the coalface level (e.g. occupational safety and health). The performing arts facility needs to understand and work within its local government's risk appetite and expectations around investments and outcomes.

<sup>29</sup> Kaiser, M. and Egan, B. (2013), *op. cit.*





### What does a high performing arts centre look like?

“ Arts centres are not intrinsically important. They only work when they are at the centre of a community and matter to people, and they only make a real difference when they bring artists into the centre of that relationship with audiences.<sup>30</sup> ”

**Allegra Galvin** – Folkestone Quarterhouse

### Community engagement

Community engagement is a way of working with local communities to build a body of activity around a performance or performance-related activity. It aims to invite people to have a greater connection with the performing arts, sometimes contributing their creative input. Notably, community engagement is a two-way process in which one party motivates another to get involved or take action. Ideally, it should happen as the first step of a project, not as the afterthought of a pre-developed idea.<sup>31</sup>

Simply put, community engagement is often a way into an arts centre, project or performance.

“ The strength and relevance of arts centres is the diversity of our offer and the many points of access offered to new audiences. Participation is at the centre of everything we do.<sup>32</sup> ”

### Why would you do it?

Community engagement builds affinity with a project or an arts centre. This in turn can develop audiences by building their depth of understanding of a performance or art form and strengthen their desire to attend more performances or extend the range of performances they seek out. In this way, community engagement can be a successful tool to reach diverse parts of the community and introduce new ideas to existing audiences.

Beyond the benefit to the arts centre, arts-related community engagement fulfils a prime role in connecting communities.

<sup>30</sup> Barlow, G. and Connor, C. (2014), *op. cit.*  
<sup>31</sup> Hurley, R. (2013) *Reframing the Relationship: Community, Arts, and Engagement*, blog, <https://blog.americansforthearts.org/2013/09/13/reframing-the-relationship-community-arts-and-engagement>  
<sup>32</sup> Barlow, G. and Connor, C. (2014), *op. cit.*

A Ghost in My Suitcase, Barking Gecko Theatre Company. Photo by Daniel Grant



## What does a high performing arts centre look like?

### What does it look like?

Engagement takes place on a spectrum. It can be as simple as a pre-show talk that helps connect an audience to a performance or a long-term immersive approach where the community is central to creation.

Whilst community engagement can be project-based, effective community engagement is an inherent part of an organisation's culture; it's central to how they work with their community. It is therefore worthwhile to consider community engagement as more than a talk or workshop.

Typical goals of community engagement might include:<sup>33</sup>

- Enhance audience understanding of and connection to a performance
- Build community skills (creative or more general e.g. lateral thinking)
- Encourage creative activity in community
- Increase or maintain social interaction and strengthen networks
- Bring to the arts centre people who have never been before or haven't been for a while

Not every project will have a community engagement element but embedding community engagement as an overall approach in an organisation can deliver significant benefits.

### TAKE AWAY:

- Community engagement builds affinity between the community and an arts centre, program of activity or project.
- Community engagement can be a great tool to bridge the gap between the art and the audience.
- Community engagement ranges from very simple to highly complex activity.
- Community engagement can be a significant tool in audience development.
- Not all projects will be suited to community engagement activity.
- Good community engagement is two-way and long term.

## What does a high performing arts centre look like?

### Bathurst Memorial Entertainment Centre identifies two key factors that contribute to community engagement:

1. Cross-over between programs, so they all feed into each other and a strong community network develops, branching out nationally and internationally.
2. Giving the community strong networks that provides them with the opportunity to feel connected and to see career development pathways.<sup>34</sup>



Music event, Tanks Arts Centre Cairns

<sup>33</sup> Adapted from: Carmichael, A. (2017) *The 30 Minute Community Engagement Planning Tool*

<sup>34</sup> Fishel, D. (2014) *Positive Solutions, Keynote Address, APACA Conference*



## Marketing and audience development

Audience development is a planned and targeted management process that involves programming, education and marketing, underpinned by research and evaluation. These elements work together to deliver an organisation's overall objectives, which are relevant to the communities of interest they serve.<sup>35</sup>

### Purpose

The purpose of audience development is to increase repeat attendance, find new audiences and increase the existing audience's depth of understanding or experience of work.

### Outcomes

Key outcomes sought as a result of audience development activities include:

1. Increased attendance at centre happenings
2. Support for cultural and aesthetic growth in the community
3. Increased revenue
4. Development of audience understanding of an art form or work
5. People introduced to new art forms
6. Diminished perceived risk of involvement in arts activity

**Figure 17** Share wanting to present broader work

**78%** of presenter respondents agreed or strongly agreed that they would like to present a broader range of work for their community (i.e. different art forms: dance, theatre, circus, opera, classical music etc).<sup>36</sup>

**Figure 18** Share wanting to present broader activities

**86%** of presenter respondents agreed or strongly agreed that they would like to present a broader range of performance related activities (as opposed to actual performances)

### Strategies

Audience development strategies can be grouped according to four key tenets drawn from the Ansof Matrix. Each will have a unique set of activities, channels and segments to target:

1. Market Penetration: creates more attendance from the existing audience for existing programs and products; increases frequency of attendance and brings back lapsed attenders.
2. Market Development I: attracts new audiences for the first time with existing programs.
3. Market Development II (product development): creates more attendance from existing audiences with new programs and products; extending the range of program offer.
4. Diversification: creates more attendance via new products or programs for new audiences.

An audience development plan will drive new ways of reaching audiences to increase attendance and their depth of experience.

**Figure 19** Share wanting to present more Indigenous work

**64%** of presenter respondents agreed or strongly agreed that they would like to present more Indigenous work.

<sup>35</sup> Scottish Arts Council, 2008

<sup>36</sup> CircuitWest (2017) 5-year Touring Strategy, findings from online survey

## What does a high performing arts centre look like?

### Signs of a good audience development plan<sup>37</sup>

- Everyone has contributed
- Clear links to other plans and strategies
- Direction based on real evidence of current and potential audiences
- Explains what you do to serve the needs of different audience groups and segments
- Easy for everyone to understand and relate to
- Practical: not too complex to communicate or resource-intensive to deliver
- Aspirational: not so ambitious as to be unrealistic

### Figure 20 Share wanting to present more multicultural work

**71%** of presenter respondents agreed or strongly agreed that they would like to present more multicultural work.

### Potential audiences

Morris Hargreaves McIntyre (2014) reported on evaluations of audiences in Victoria that measured potential and actual attendance. The study found that 39% of people had never attended a cultural event but were interested and only 14% had never been and were not interested.<sup>38</sup>

This suggests there are significant potential audiences that are not being served but have the desire to attend.

Arts centre managers or programmers will often say, “I know my audience.” Typically, this is based on learnt behaviour or anecdotal evidence about past attendances. This fails to accept the challenge to find people who are looking for something different or who may have been disenfranchised by past programming. It is important to note that an arts centre will have multiple audiences or potential audiences. Effective evidence-based research is an essential component of audience development, to understand and plan strategies to reach new audiences.

## What does a high performing arts centre look like?

### Resourcing

Arts centres often lack the resources to develop audiences and create demand. Only about one third of arts centres have dedicated full-time marketing staff.

In recent research undertaken on behalf of CircuitWest, Western Australian presenters were questioned about what additional human resources would provide the most benefit to them: 44% of respondents indicated that marketing and audience development would be most beneficial.<sup>39</sup>

Improved marketing and audience development provide huge potential to increase demand, increase participation and decrease dependency on funding and thereby increase the sustainability and viability of the arts activity.

### Willingness

High performance is only achieved when three factors are present – capacity, opportunity and willingness.

To achieve successful presenting in communities, particularly where local government is a vital part of the support required, a centre may well have the capacity and opportunity to pursue ideas or projects but, unless there is willingness to receive or provide support, success is limited.

Whilst strategy and planning are important, the will of local government decision-makers is fundamental to success.

Creating will in local government is highly correlated to ensuring that the value of the centre is clearly evident and communicated.

Measuring impact (economic and social) is fundamental to creating value. Whilst this gives us the evidence or tools to argue the case, a new language is required to communicate the impact and value to local government decision-makers and create attitudinal change – that’s no small challenge.

<sup>37</sup> The Audience Agency (2017) *Creating an Effective Audience Development Plan*, [www.theaudienceagency.org](http://www.theaudienceagency.org)

<sup>38</sup> Clements, J. and Shorrocks, L. *Audience Atlas Victoria: Mapping Victoria's Culture Market*

<sup>39</sup> CircuitWest (2017) *op. cit.*



## What does a high performing arts centre look like?

### Connected to the industry

Being connected to the broader industry is a critical factor contributing to the success of arts centres. Getting and staying connected is essential to collaboration and identifying performance opportunities that are relevant and meaningful.

Relationships with other arts organisations can help arts centre staff to develop an understanding of the needs of the creative community and identify and offer services to increase community capacity.

Actively keeping abreast of current developments in the performing arts industry locally, regionally, and at a state, national and international level informs decision-making and provides learning opportunities. This also enables the arts centre to contribute to broader sector development.

Importantly, professional and geographical isolation can be addressed by strategies that enable connection. These may be online; however, there is no substitute for personal face-to-face communication to build networks, support wellbeing and build knowledge. Excellent value can be drawn from the peer to peer learning at conferences, markets and showcases, and the experience of seeing performances live.

Information gathered as a result of being connected is a central input to arts centre management.



“As a venue manager you sit at the very edge of Local Government – not exactly the core functions of rates, roads and rubbish but just as essential. Having a network of colleagues that understand the daily challenges is essential. Connecting via email, phone and the occasional industry gathering is critical to the support needed by every venue (remote, regional or metro) to build community cohesion.”

**Peter Owens** - Former President, Australian Performing Arts Centres Association

### Good to deal with

Excellent service delivery is central to successful presenting. This concerns the broadest definition of customers, from audiences, to donors, councillors, service providers, suppliers, touring companies and funders.

Action can range from a welcome cup of tea and a packet of Tim Tams for a touring party, to the timely delivery of contracts to welcoming front of house staff.

## What does a high performing arts centre look like?

At an operational level, service delivery will typically focus on:

- Excellent technical service and support: a well-maintained and equipped venue, professional staff.
- Excellent customer service: regular and open communication with the producer and tour coordinator prior to, during and after the tour.
- Excellent administrative support: completes and returns all contractual, production and acquittal information in a timely manner.
- Excellent marketing support: provides consistently high standards of promotion for shows in an effective and timely manner.
- Exceptional standards in audience development, community engagement and programming.

A good reputation in the industry and with partners increases the capacity to do a better job. It attracts partners who are more supportive and willing to collaborate on achieving outcomes.

### Operating procedures and policies

Performing arts centre operational requirements and practices need to fit with local government requirements. However, some arts centre operations and industry specific issues may require local government to acknowledge that an arts centre may not always be able to comply with the local government policies. Where possible a flexible approach should be adopted, or policies should be developed in consultation with the arts centre staff so that operational effectiveness is not limited.

Following are five key issues that can impact on the effectiveness of arts centre operations.

#### Procurement

Securing services in compliance with local government procurement policies is an issue in the performing arts, especially with larger performances and projects.

All local governments across the country have procurement policies of some description that detail processes to purchase goods and services. For example, an expenditure over \$10,000 requires a minimum three quotes and over \$20,000 requires a full tender process.

## What does a high performing arts centre look like?

It's impractical to seek multiple quotes for performance: a performance will intentionally be unique and irreplaceable. No other supplier can provide the unique productions of Bangarra Dance Company, for example, and it is unreasonable to call a tender for a dance performance and have all major companies apply. In reality, the performing arts industry operates contrary to local government procurement structures and procurement of performances must be managed as exceptional practice.

### Competitive neutrality

Competitive neutrality policy applies to the business activities of publicly owned entities, that is, the business activities of government that are producing goods or services for sale in the market place with the intention of making a profit and providing financial returns to their owners.<sup>40</sup>

The objective of the competitive neutrality policy is to remove competitive advantages and disadvantages that arise solely through the ownership differences between public sector and private sector organisations.

This is a relatively recent issue that is gathering momentum. Effectively, local government cannot be seen to be using ratepayers' dollars to prop up commercial enterprises, as this is unfair to commercial operators. This has implications for performing arts centres in relation to hospitality, functions and event hire spaces. For example, a café at an arts centre needs to ensure that its menu price point is comparable to other businesses in the area, staff are paid appropriately and there can be a demonstrated contribution to utilities and rent. This means that the café needs to be commercially operated with a for-profit agenda and not reliant on ratepayer funds to subsidise the operations.

### Advance deposits

The programming methodology of performing arts centres commonly requires that deposits be paid up to 24 months in advance of the service being received. Accrual accounting is not a common practice and expenditure on operational items, such as performance fees, will often occur outside the financial year in which the performance occurs. Accommodating this practice in local government financial and accounting policies is essential to effective arts centre operations.

### Gifts

Gifts and benefits are a significant issue for local government and the performing arts. Attending performances is an essential part of understanding the value of the performing arts and gauging community feedback. Performances typically provide a prime opportunity to acknowledge supporters and develop networks to create future supporters. In addition, the attendance of senior staff and elected members provides role modelling for the broader community and can attract kudos to a performance.

<sup>40</sup> Department of Treasury and Finance (2010) *A Guide to the Implementation of Competitive Neutrality Policy*, Government of South Australia

## What does a high performing arts centre look like?

Tickets for council staff and elected members should be made possible via declaration on a gifts register. It is essential that arts centre staff attend performances as part of their core duties. This is a critical component of program development, benchmarking standards and professional development.

In some instances the notion of complimentary tickets could be redefined as 'familis' (as opposed to gifts) similar to the use in the tourism industry. This may address situations in which there is an issue of 'benefits' being provided to council staff or elected officials.

### Travel

It is a key role of an arts centre manager to identify and deliver programs and performances that are relevant and appropriate to their community and artistically satisfying.

To source such programs and activities requires the manager to know what is available, to build a body of experiences that enables informed decision-making, to be in touch with the zeitgeist of the community and the performing arts industry and to build effective networks of professionals.

Programming information can be gathered in a number of ways but the most important is to attend performing arts showcases, markets and festivals. As the cultural chief of a community, it is vital that the manager seeks the best ingredients from the most affordable and best possible sources. It's reasonable practice for arts centre managers to attend at least three events annually: a state-based market, a national market or conference, and a festival.

Often these events are combined with professional development opportunities. Combined with the sharing of knowledge between peers, attendance at these events should be considered essential practice for arts centre staff.

A common rule of thumb is never to program a performance for your community that you have not attended yourself. Whilst this is not always practical, it is important to note how much better it is to assess the suitability of a performance by seeing it live rather than watching a video or YouTube clip.



## 4 Measuring Success



At the heart of getting the most out of your performing arts facility is understanding what its value is or could be.

Figure 23 shows a monitoring framework with three levels of indicators.

A 2017 survey of Australian Chief Executive Officers in local governments with performing arts centres was revealing. The respondents indicated that they were measuring, on average, seven indicators. However, Figure 21 shows that those indicators were predominantly at level 2: the local governments were monitoring centre outcomes – utilisation, attendance, box office revenue – which are relatively easy to measure. Community satisfaction was another common one, however most community surveys list the performing arts centre as one service (or possibly not even a separate service) in a long list that the community is asked to give a satisfaction rating for. A relatively small percentage were undertaking rigorous assessment of higher level impacts.

This can be contrasted with what the same respondents said they valued. Figure 22 shows that impacts the CEOs valued most highly were all in the arena of community outcomes.

**Figure 21** What local government measures

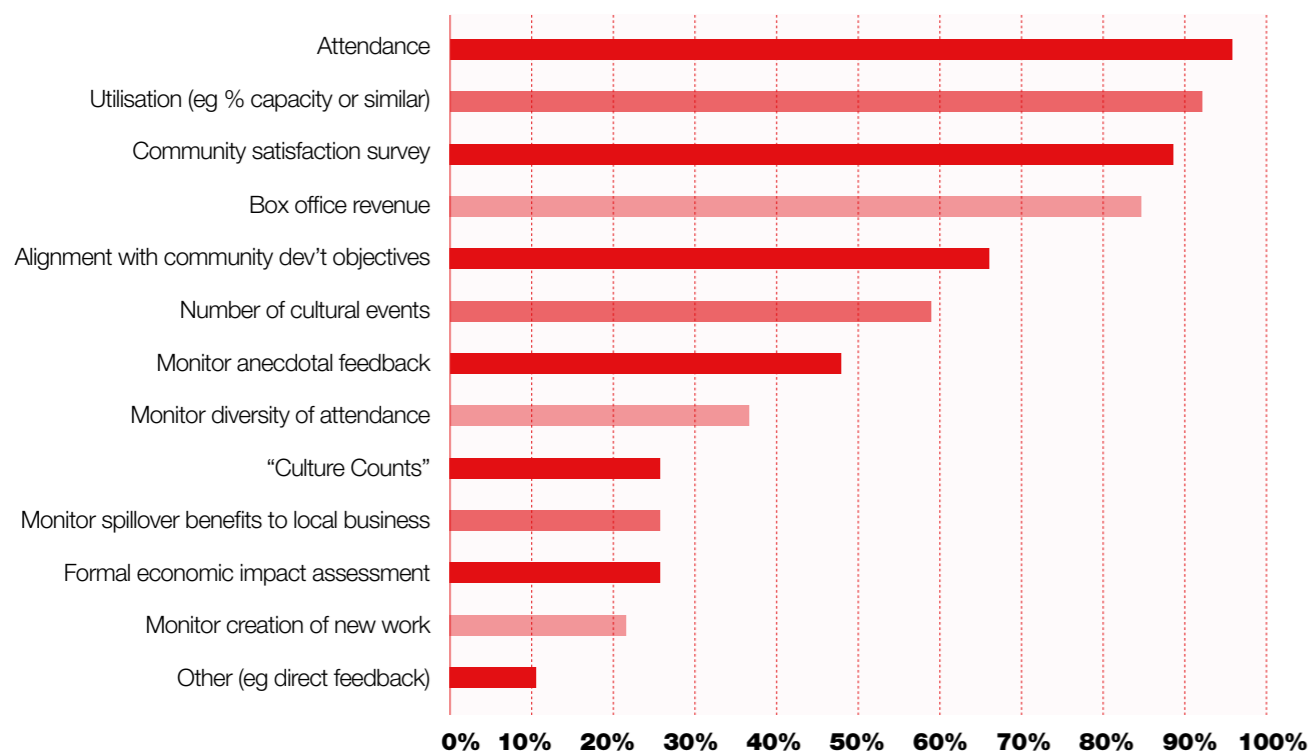


IMAGE: Dubbo Regional Theatre

## Measuring success.

**Figure 22** What local government values



“The lack of a consistent and systematic set of cultural measures means that we are unable to... articulate the impact of the work in an evidence-based way.”<sup>41</sup>

In the monitoring framework in Figure 23, the lowest indicator level is concerned with how well the centre is doing against the critical success factors. Each centre or local government needs to select the critical success factors that will be monitored. It is vital that the selected critical success factors are relevant and that the centre has the appropriate authority to effectively deliver them. These indicators are then largely within the control of the centre, once resources are allocated and the work plan is set. It is essential that the centre does not end up with level 1 indicators for activities that it is not resourced to deliver.

The second level consists of the centre outcomes. These measure aspects such as audience satisfaction, audience growth and the level of engagement. Resourcing needs to be commensurate with the targets or else the centre is set up to fail. These indicators, apart from giving an idea of how well the centre is doing, also lay the foundation for the achievement of community outcomes. The cornerstone of these outcomes is the individual cultural experience, expanded into multiple shared cultural experiences. While the dynamic of this expansion from the individual level to cumulative community benefits is not guaranteed with high levels of utilisation and attendance, it can't happen without it.

<sup>41</sup> Cultural Development Network, *Measurable cultural outcomes of engagement in cultural activities*, [www.culturaldevelopment.net.au](http://www.culturaldevelopment.net.au)

## Measuring success.

The third level consists of the community outcomes. This level is the most difficult to measure but the most important. This is the level that captures whether and to what extent community social and economic wellbeing is expanding. Some communities, for example, are able to plug their level 2 data into an economic impact model and produce a robust indication of the associated spending in the economy. Others are able to gather data on the individual cultural experience in real time, with sufficient sampling to make findings on the impact across the wider community.

The degree of influence the performing arts centre has on the indicator is strongest at level 1. For example, delivery of a planned and resourced marketing activity is essentially within the centre's control; achieving success is a matter of diligent performance.

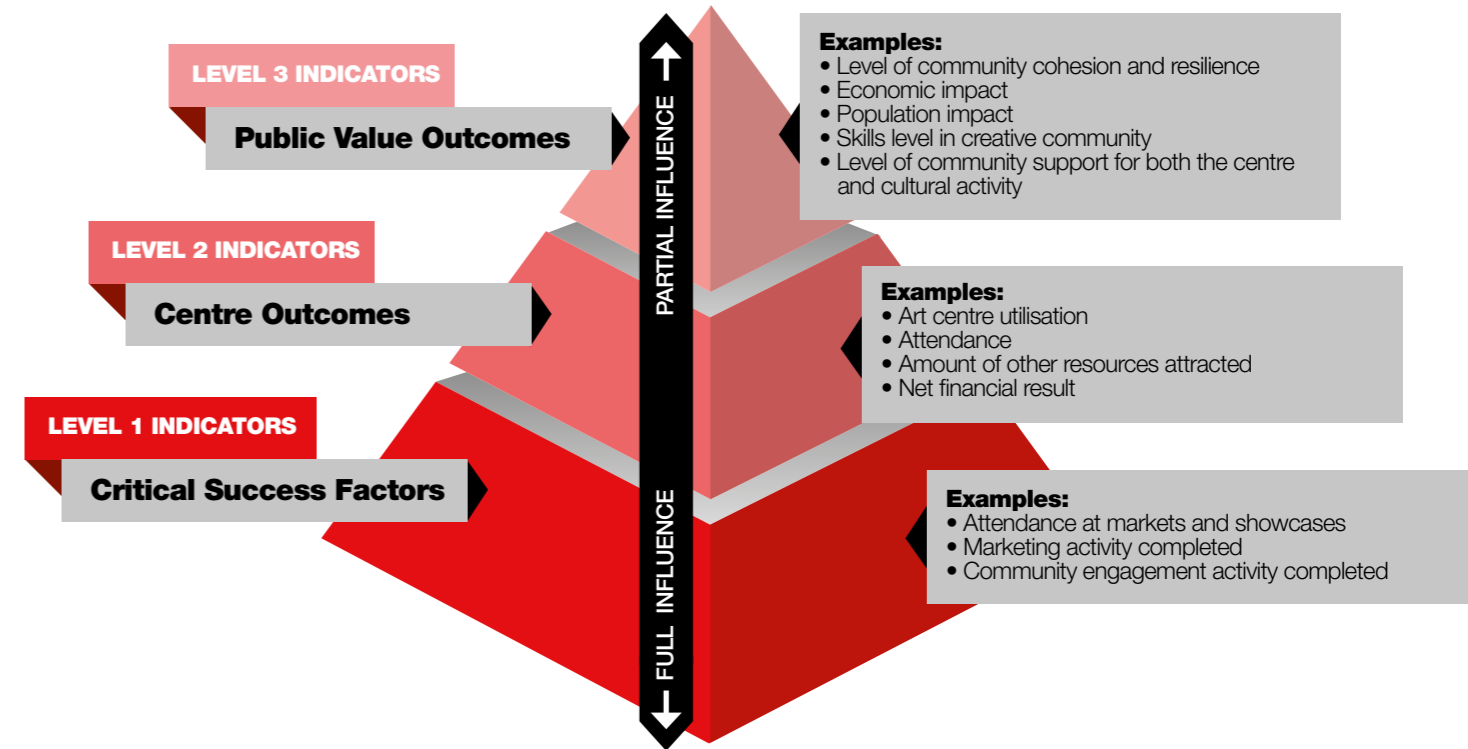
The degree of influence is weakest at level 3, where the indicator is also influenced by other factors. For example, if local businesses don't help to attract patronage (through 'discount with theatre ticket' promotions or similar), then the spillover effect will be smaller. Strong and effective partnerships at that level, as discussed earlier in this guide, can make a substantial difference to the achievement of community outcomes.

Furthermore, external factors can affect the results. For example, if a critically and popularly acclaimed show coincides with a severe weather event, affecting patronage and the spillover effects for local businesses, the lower economic impact is outside the centre's control. This would also dampen the level 2 results. Interpreting the data in light of the relevant factors is an important part of applying the monitoring framework.

Several tools are available to measure the impact of arts and cultural programs according to various metrics. Some of these are listed in Appendix 4.

## Measuring success.

**Figure 23** Monitoring framework





## Appendix 1: The economic case for public financial support for arts and culture

*An extract from Dalziel et al (2019) pages 26, 27*

There is a specific economic issue associated with cultural production of many art forms that is important for understanding the economic case for public financial support provided to culture. The issue comes from a distinction between fixed and variable costs of production.

Fixed costs are incurred regardless of the number of people who engage with the activity. To illustrate, in a [performing arts centre], there are substantial fixed costs, such as the rental and operating costs of the building, or the salaries of the staff that must be paid for the [centre] to open, regardless of the number of visitors.

Variable costs refer to the increasing costs incurred as the volume of cultural engagement increases. This could include the [centre's] cleaning costs, or the costs of [front of house] staff, which might rise as the number of visitors grows larger.

The issue is that fixed costs of cultural production can be very high compared to variable costs.

Consider two more types of costs. Average Cost is the total cost of producing the cultural activity divided by the number of engaged persons. For example, this is the entrance fee each person must pay for the total costs of the [centre] to be covered by revenue from visitors. Marginal Cost refers to the extra cost of production if one more person engages with the activity, such as the entrance fee a person must pay to cover the extra cost of their visit.

When fixed costs are high relative to variable costs, then average cost is typically greater than marginal cost for feasible ranges of audience size. This has important consequences.

- Economic efficiency requires that a person should pay only the marginal cost of his or her engagement, but because marginal cost is less than average cost, marginal cost pricing will not cover the total costs of the cultural activity.
- If the cultural activity is priced at average cost, on the other hand, some people who can pay the marginal cost of their cultural engagement will still be excluded from the activity.
- If the cultural activity is priced at average cost, the volume of ticket sales (or equivalent) may be so low that the value of fixed costs must be reduced, resulting in potentially much lower levels of cultural vitality and artistic vibrancy.

### Appendix 1. The economic case for public financial support for arts and culture.

- If [smaller scale] cultural producers ... must charge the average cost of production, while larger overseas cultural producers can export cultural goods and services at marginal cost of production (in the screen and media sectors, for example), [home grown] producers will be unable to compete.
- If [home grown] cultural producers cannot compete, high-quality, diverse [home grown] content will not be made available to [Australians], further damaging ... cultural vibrancy and identity, and hence wellbeing.
- Because cultural vitality and vibrancy contribute to a community's wellbeing, the sustenance of these qualities produces benefits that go beyond the direct benefits enjoyed by those people who engage with cultural activities.

In the language of economics, these consequences are a manifestation of 'market failure'. This can provide a case for government action through public investment in culture for wellbeing. There are still, however, important questions to answer about the level of investment, relative to other opportunities for investment in (say) education or health for wellbeing. This requires a framework for identifying and measuring all the benefits from culture.

## Appendix 2: Recruitment Guidelines

The following information is offered as an ideal example. In the recruitment of the arts centre manager it is important to consider the role the position plays as a cultural leader in the community. Whilst facilities management is a component of the role, this person is most often responsible for the majority of decisions about the nature of the performance program presented to the community. The selection criteria for the position should reflect the importance of that role.

### Purpose of the position

The primary purpose of the manager is to develop and manage the annual programs and events within the centre. The manager is also responsible for the overall effective management and promotion of the centre, overseeing the operations and developing the strategic vision of the organisation to ensure it maintains its position as a leading (regional) performing arts venue, delivering good outcomes for the local government and the region.

Together with the management or executive team, the position aims to build a vibrant and strong community through a diverse range of strategies, facilities and initiatives.

### Essential criteria (examples)

1. Demonstrated considerable knowledge and experience in venue management or sound knowledge of associated cultural and entertainment industries, including knowledge of regulatory and legislative compliance requirements for venues and events.
2. Extensive knowledge and experience in the performing arts and entertainment industry in order to select, curate and program a diverse yet balanced annual season of shows and local performing arts which will attract various market segments and develop a range of audiences.
3. Demonstrated corporate governance experience working directly with a board of management (subject to management/governance model).
4. Demonstrated experience obtaining grants and funding procured from relevant funding schemes or bodies.
5. Well-developed financial and resource management skills. Proven experience managing and monitoring budgets.
6. Demonstrated experience generating and achieving revenue growth targets.
7. Excellent negotiation, written and verbal communication and interpersonal skills.
8. Proven ability to lead, manage and work with people at all levels and ability to work collaboratively with cross-functional teams along with a diverse range of internal and external stakeholders and contractors.
9. Proven ability to bring diverse groups and people together to achieve a common vision.
10. Demonstrated experience in strategic planning; very strong analytical, research and problem-solving skills.
11. High level organisational and time management skills.

### Desirable criteria (examples)

1. Tertiary qualifications in venue management or related discipline.
2. Knowledge and understanding of venue booking systems.
3. Knowledge and understanding of customer relationship management databases.
4. Sound working knowledge of statutory requirements relating to liquor licensing.
5. Experience in developing and implementing policies and procedures within a live performance environment.
6. A strong understanding of contemporary marketing principles.

## Appendix 3: Defining activation, engagement, audience development, access

ACTIVATION	ENGAGEMENT	AUDIENCE DEVELOPMENT	ACCESS
<b>What is it?</b>			
<p>Increasing the level of attendance (not necessarily paid or at predetermined events) across the centre's happenings.</p> <ul style="list-style-type: none"> <li>• Being a desirable place to be</li> <li>• Being open - providing reason for the public to be at the centre throughout the day and night</li> <li>• Creating a sense of busy-ness (vibe) that leads to being a desirable place to be.</li> </ul>	<p>Being involved with the programs and performances being presented by the centre - beyond passive participation.</p> <p>Audience engagement is defined as a guiding philosophy in the creation and delivery of arts experiences in which the paramount concern is maximizing impact on the participant. - Wolff Brown, 2011.</p>	<p>A planned and targeted management process which involves programming, education and marketing (underpinned by research and evaluation) working together to deliver an organisation's overall objectives...and which are relevant to the communities of interest they serve. - Scottish Arts Council, 2008</p>	<p>Providing opportunity for the broadest range of the community to participate in the centre's activities - as audiences, volunteers, at the bar/café/gallery, as a meeting place.</p> <p>Not solely motivated by increasing income.</p>



ACTIVATION	ENGAGEMENT	AUDIENCE DEVELOPMENT	ACCESS
Purpose			
To increase awareness of other programs in the centre among the uninitiated.	To increase awareness and understanding of new, challenging work or art forms.  To provide an inclusive approach that invites people into artistic, creative decision-making.	Increase repeat attendance, find new audiences AND increase the existing audiences' depth of understanding or experience of work.	To make a public facility available to all people.  To be inclusive.  To position the centre as open and welcoming.  To fulfil a City obligation.
Outcomes			
<ol style="list-style-type: none"> <li>1. Community supports and has pride in the centre.</li> <li>2. Attendance increases at centre happenings.</li> <li>3. Cultural growth in the community is supported.</li> <li>4. Revenue is increased.</li> </ol>	<ol style="list-style-type: none"> <li>1. Audience understanding of an art form or work is developed.</li> <li>2. People are introduced to new art forms.</li> <li>3. Perceived risk of involvement in other arts activity is diminished.</li> </ol>	<ol style="list-style-type: none"> <li>1. Attendance increases at centre happenings.</li> <li>2. Cultural growth in the community is supported.</li> <li>3. Revenue is increased.</li> <li>4. Audience understanding of an art form or work is developed.</li> <li>5. People are introduced to new art forms.</li> <li>6. Perceived risk of involvement in arts activity is diminished.</li> </ol>	<ol style="list-style-type: none"> <li>1. The community at large and visitors are able to attend the centre's facilities and activities.</li> <li>2. A positive perception of the centre is built.</li> <li>3. Goodwill is felt by the community and visitors towards the centre/City.</li> </ol>

## Appendix 4: Resources and Tools

- **An Architecture of Value** – Wolff Brown  
<http://wolfbrown.com/component/content/article/43-articles-a-essays/380-an-architecture-of-value>
  - **The Evolution of the Performing Arts Centres** – AMS Planning and Research  
<http://www.paca.org.au/downloads/>
  - **30 Minute Community Engagement Planning Tool** – Annette Carmichael  
<https://www.circuitwest.com.au/templates/>
  - **Community Impact Report Tool** – Annette Carmichael  
<https://www.circuitwest.com.au/wp-content/uploads/2017/05/Community-impact-report-tool.pdf>
  - **A sample programming policy**  
<http://paca.org.au/wp-content/uploads/2018/04/BMEC-Programming-Policy-2016.pdf>
  - **A sample programming plan**  
<http://paca.org.au/wp-content/uploads/2018/04/Matt-Dann-Program-Plan-2017-19.pdf>
  - **Creating an Effective Audience Development Plan** – The Audience Agency  
<https://www.theaudienceagency.org>
  - **Audience Atlas** – Morris Hargreaves McIntyre  
<http://www.australiacouncil.gov.au/workspace/uploads/files/audience-atlas-australia-repor-598a64dedc74f.pdf>
  - **Culture Segments** – Morris Hargreaves McIntyre  
<https://mhminsight.com/articles/culture-segments-1179>
  - **Regional Arts Services Network**  
<https://rasn.org.au/>
  - **Regional Arts NSW**  
<http://regionalartsnsw.com.au/>
- ### Impact assessment tools
- **Culture Counts**  
<https://culturecounts.cc>
  - **Cultural Development Network**  
<http://www.culturaldevelopment.net.au/outcomes/evaluating-outcomes-of-cultural-development-activity/>
  - **Intrinsic Impact** – Wolf Brown  
<http://www.intrinsicimpact.org/>

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- **Local Government Professionals WA** Bigger Impact. Better Outcomes. Unleashing Capacity in Western Australian Local Governments
- **Local Government Professionals WA** Getting community engagement to work for Local Government, conference presentation with panellists Joel Levin, Anthony Vuleta, Andrew Sharpe
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